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Israel's Cabinet Votes Full Probe of Massacre

By David K. Shipler

New York Times Service

JERUSALEM — Prime Minister Menachem Begin bowed to relentless political pressure from within his governing coalition Tuesday and agreed to establish a full-fledged judicial commission to investigate the Beirut massacre.

Mr. Begin originally argued that the appointment of such a commission would be taken as an admission of Israeli guilt, and last week he pushed his coalition partners into voting down, 48-42, an opposition motion in parliament on establishing a panel of inquiry.

He reversed himself Tuesday after a week of rising criticism across the Israeli political spectrum and from governments and Jewish organizations abroad.

His proposal to set up the commission, made at a special cabinet meeting, received the unanimous approval of his ministers, many of whom had been lobbying privately for him to take the step. A commission had also been advocated by the bar association, by a group of former Israeli ambassadors, by respected intellectuals and by a crowd of demonstrators last Saturday in Tel Aviv that police estimated at about 350,000, nearly 10 percent of the country's population.

"It's not that the government decided," said Shimon Peres, leader of the opposition Labor Party. "The people of Israel decided. The government yielded. It had no choice."

The move did not appear to sat-

isfy Mr. Peres and others in opposition ranks, however, who continued to call for the dismissal of Defense Minister Ariel Sharon and the resignation of Mr. Begin.

Mr. Sharon is being held accountable for the decision to send Christian militiamen into two Palestinian refugee camps Sept. 16.

Reagan remains determined that the U.S. should lead the way to peace in the Middle East. Page 2.

where they slaughtered hundreds of Palestinian men, women and children.

Zev Schiff, the respected military correspondent of the Hebrew-language daily Ha'aretz, wrote Tuesday that the Phalangist militiamen

had planned the massacre.

Mr. Schiff wrote, "It has become apparent that this was not a spontaneous act of revenge after the murder of Bashir Gemayel," the president-elect of Lebanon, "but an act that was planned beforehand with the objective of causing a mass flight of Palestinians from Beirut and Lebanon."

Whether this goal was known beforehand to Israeli officers, and to Mr. Sharon, is a key question being asked here in the attempt to apportion blame. According to one former general who maintains contacts in the army, the Christian unit that went into the camps was led by the Phalangists' intelligence chief, Elias Haba'ika, a follower of Bashir Gemayel who was known for his brutality.

A growing sentiment favoring Mr. Sharon's dismissal is reported among the members of the National Religious Party, which contributes six seats to Mr. Begin's 62-seat coalition in the 120-seat Knesset, and even among members of the prime minister's own Herut Party, who are afraid that in the light of continuing revelations about the Beirut incidents, the retention of Mr. Sharon could bring down the government.

Mr. Begin, however, is said to be adamant about sticking by his defense minister, at least until the conclusion of the state inquiry.

The decision to establish the judicial panel came after the failure of an attempt by Mr. Begin to satisfy the demands for an inquiry

with an administrative investigation.

Last Friday, he asked the chief justice of the Supreme Court, Yitzhak Kahan, to undertake an inquiry without subpoena power or the capacity to swear witnesses. Mr. Kahan declined to respond to the request, citing two petitions that were before the court asking that the government be ordered to show cause why it should not be required to establish a full judicial inquiry commission. With Tuesday's action, these petitions presumably became moot.

Pressure for a full judicial inquiry was maintained by several key cabinet ministers, including the interior minister, Yosef Burg; the education minister, Ze'evulun

Hammer; and Mordechai Ben-Porat, a minister without portfolio. Mr. Burg, who heads the National Religious Party, had reportedly made clear his bloc's determination to withdraw from the coalition, thereby causing its collapse, if Mr. Begin continued to resist a full inquiry.

The concept of a state commission is embodied in a 1959 law. Under its procedures, the chief justice is requested by the cabinet to establish a panel, which be himself or another member of the court may head.

The panel has the authority to subpoena witnesses and documents and to hear sworn testimony under the threat of perjury. Its proceedings are normally conducted

in secret, and its findings and recommendations, if any, are made public, in part or in whole, at the cabinet's discretion.

The cabinet determines the scope of the investigation, and Dan Meridor, the cabinet secretary, said after Tuesday's session that the commission would be charged with inquiring, in both the military and political areas, into the massacre itself and the decision to allow the Phalangists into the refugee camps.

The commission's brief will not include the Israeli decision to send the army into West Beirut following Mr. Gemayel's assassination. No time limit is set for the inquiry, and it is expected to take several months.

Bonn Parties Form Coalition Aimed at Removing Schmidt

By Paul Taylor

Reuters

BONN — West Germany's center-right parties Tuesday night announced the formation of a coalition that will vote in parliament on Friday to remove Chancellor Helmut Schmidt.

The conservative opposition leader, Helmut Kohl, of the Christian Democratic Union, said he expected to be elected chancellor in the Bundestag "constructive vote of no confidence" against Mr. Schmidt.

"Our country stands at a difficult hour, we are aware that we do not have an easy path in front of us. We know what our duty is and we intend to carry it out," Mr. Kohl, 52, said at a news conference.

He was speaking shortly after the liberal Free Democratic Party, his own Christian Democrats and the Bavarian Christian Social Union voted to endorse a policy agreement with his candidacy.

A formal no-confidence motion bearing the signatures of Mr. Kohl and Wolfgang Mißbach, the Free Democratic floor leader, was delivered to Bundestag Speaker Richard Stuecklen Tuesday evening, parliament officials said.

Minutes before, Mr. Kohl, Hans-Dietrich Genscher, leader of the Free Democrats, and Franz-Josef Strauss, leader of the Christian Social Union, had signed a formal coalition contract.

The motion said: "The Bundestag expresses no confidence in Chancellor Helmut Schmidt, and elects as his successor Deputy Helmut Kohl as chancellor of the Federal Republic of Germany. The federal president is requested to

dismiss Chancellor Helmut Schmidt."

Mr. Schmidt would become the first West German chancellor to be removed by parliament.

The Free Democratic Party triggered the government crisis on Sept. 17 when it abandoned a left-liberal coalition with Mr. Schmidt's Social Democratic Party to seek a center-right alliance. The Free Democrats voted Tuesday, 34 to 18, to support the new coalition, giving Mr. Kohl an 11-vote margin.

In a second vote, Free Democratic deputies approved by a margin of 32 to 20 a policy program that Mr. Genscher concluded with Mr. Kohl and Christian Social Union leaders earlier in the day. It foresaw higher indirect taxes, compulsory loans to the state from high earners and a series of welfare cuts.

Approval for Mr. Genscher's course was much narrower in the party's national executive, which voted simultaneously with the parliamentary party. By only 18 to 17, the executive rejected a motion demanding that no new coalition be formed until a special Free Democratic Party congress on Oct. 16.

That vote confirmed a deep split among rank-and-file liberals over Mr. Genscher's maneuver, reinforced by a disastrous performance by the Free Democrats in a state election in Hesse on Sunday.

But Mr. Genscher, who is certain to return to his former post of foreign minister in a new coalition, made clear from the outset that it was the parliamentary party vote that counted.

The Free Democratic deputies held more than eight hours of heated debate before voting.



West German opposition leader Helmut Kohl, left, and his deputy, Gerhard Stoltenberg, enjoyed a laugh Tuesday before a meeting of Christian Democrats and Christian Social Union leaders.

U.S., Allies Far Apart On Sanctions Dispute

By Bernard Gwertzman

New York Times Service

NEW YORK — Differences between the United States and its key allies over the Siberian pipeline dispute with Washington has produced a political consensus in France. Page 6.

line sanctions are so wide that they have agreed there is no point in discussing possible compromises at this time, a U.S. spokesman says.

Reflecting an apparent harden-

ing of positions in Washington and in West European capitals on the issue, John Hughes, the State Department spokesman, said Monday that, despite earlier official suggestions that Secretary of State George P. Shultz would be discussing ways of settling the dispute with European officials over the next two weeks at the United Nations General Assembly session, "it is a fair assumption that nothing is going on."

Mr. Hughes said that during a wide-ranging three-hour dinner meeting Sunday night in New York, Mr. Shultz and Claude Cheysson, the external relations minister of France, deliberately did not discuss the American sanctions policy because their differences were so well known and unbridgeable for the moment.

"The point that they made was that the United States and France disagree on this particular aspect of East-West economic relationship and there was no point in discussing this in this particular forum," he said.

Meeting With German

The issue was also not discussed in detail Monday morning when Mr. Shultz conferred for an hour with West Germany's minister of state, Berndt von Staden, Mr. Hughes said.

And Foreign Secretary Francis Pym of Britain said Monday in a luncheon appearance in New York before the Foreign Policy Association that the United States and its allies were not yet ready to discuss compromises because of the serious differences of perception.

[At the UN Tuesday, Mr. Shultz and Mr. Pym discussed possible solutions to the controversy but were still far apart on the issue, Mr. Hughes said, according to The Associated Press.]

[He said their discussions (Continued on Page 2, Col. 6)]

INSIDE

■ Photographers love to win Pulitzer Prizes but some, including four recent winners, don't like to think about why they won. Insights, Page 6.

■ Michael Laborites gave leader Michael Foot a valuable political tool by shifting the party's National Executive Committee. Three members of the committee who were generally deemed to be from the so-called "hard left" and supporters of Mr. Foot's antagonist, Tony Benn, were left off the board. Page 5.

■ Polish food supplies will continue to drop during the fourth quarter of this year, an official report said, but apparently this will not lead to a cut in rations. Page 4.



WORKING OUT — Prime Minister Zenko Suzuki of Japan, right, took time for Chinese shadow boxing Tuesday with Chinese practitioners in Beijing. Mr. Suzuki held meetings with Chinese officials and was told of Beijing's conditions for better ties with Moscow. Page 5.

Charges Dropped Against 3 in IBM Spy Trial in U.S.

United Press International

SAN JOSE, California — A U.S. judge dismissed charges Tuesday against three defendants accused of stealing IBM secrets on the grounds that the prosecution refused a court order to provide sensitive documents to defense lawyers.

Barry Saffaie, Raymond Cadet and Tabassom Ayazi were among 21 persons indicted for industrial espionage dealing with high technology belonging to the International Business Machines Corp. and selling the information to two Japanese electronics firms. All three — the first to face trial — had pleaded not guilty. The Japanese firms — Hitachi Ltd. and Mitsubishi Electric Corp. — also are under indictment.

U.S. District Judge Robert Aguilar had threatened to throw out the case because of the behavior of both the prosecution and the defense.

Israelis Leave West Beirut, Reportedly Will Quit Airport

By David B. Ottaway

Washington Post Service

BEIRUT — The Israeli Army withdrew Tuesday from its last two positions inside West Beirut, and Lebanon's state radio reported later that the Israelis had also agreed to a total evacuation of the international airport, apparently clearing the way for the arrival Wednesday of 1,200 U.S. Marines.

The state radio said that Morris Draper, a U.S. special envoy, had met with President Amin Gemayel to inform him of the complete Israeli pullout, apparently agreed upon after a day of hard bargaining among U.S., Israeli and Lebanese authorities. There was no confirmation from the U.S. Embassy.

Earlier reports here and in Jerusalem said that Israel's army was staying on at the airport at least for a few days, and possibly for months. The conflicting reports threw into confusion whether the U.S. Marine Corps contingent of the Beirut peacekeeping force would land Wednesday, as State Department officials had said on Monday.

Airport Reopening

On Tuesday night, Lebanon's public works minister, Elias Hrawi, announced on state-run television that the airport, closed since the Israeli invasion of Lebanon began June 6, would reopen to civilian traffic Thursday morning.

This was taken as another indication that the Lebanese demand for a complete Israeli withdrawal had been fulfilled.

If confirmed, the Israeli withdrawal would constitute a major victory for U.S. diplomacy over dogged Israeli insistence that for logistical reasons, the army had to have access to the airport even after evacuating the rest of West Beirut.

The Reagan administration had demanded a total evacuation of West Beirut, particularly the port and airport, before the marines would come ashore. They are to join 2,200 French and Italian troops making up the peacekeeping force that is returning here to help guarantee the safety of Palestinian civilians after the massacre of hundreds of them by Christian militiamen Sept. 16-18.

The U.S. contingent, which was initially due to arrive Sunday, will be primarily responsible for security in and around the airport.

Israel's withdrawal from its last two positions in West Beirut was completed Tuesday morning shortly after a meeting at the airport between Mr. Draper and Major General Amir Drori, head of the Israeli northern command.

Before Tuesday night's state radio report, there had been no indi-

cation that the Israelis would pull out of predominantly Christian East Beirut before the end of this week, and they were saying they would maintain landing rights for civilian and military planes at the airport for some time.

The Israeli chief of staff, Lieutenant General Rafael Eitan, told Lebanon's president reportedly has decided to order a probe of the Beirut massacre. Page 2.

Israel Radio on Tuesday that the army would keep a small detachment at the airport "as long as Israelis stay in Lebanon. The airport is necessary to help us with our deployment."

An Israeli Army spokesman in East Beirut said that there had been no negotiations with U.S. representatives over use of the airport. The meeting between Mr. Draper and General Drori, the spokesman said, was only "an exchange of information."

French, Italian Troops

Workers were busy finishing up repairs on the main terminal building, which appeared to be in fairly good shape despite days of fighting around it over the summer.

Meanwhile, French and Italian paratroopers and marines continued their deployment in the two Palestinian camps of Sabra and Shatila. (Continued on Page 2, Col. 1)

New Peace Unit Faces Skepticism of Arabs

By Joseph Fichett

International Herald Tribune

PARIS — The new peacekeeping force sent to Lebanon will be operating under a cloud left by the original force, which pulled out of Beirut a week early, only days before the massacre of Palestinian civilians.

The departure and subsequent massacre damaged the credibility of the Reagan administration with broad sectors of Arab public opinion, according to Western and Arab diplomats. Some Arab commentators, asking why the force had left so soon, have pointed out that the withdrawal of the U.S., French and Italian troops opened the way for Israel's unopposed entry into West Beirut.

U.S. officials contend that Israel — for its own purposes and perhaps even to damage the Reagan administration's broader Middle East peace plan — breached its commitments to the special U.S. envoy, Philip C. Habib, by moving its troops into the western sector. But rumors and conspiracy theories, always rife in the Arab world, have convinced many Arabs that the United States acted to clear the way for Israel.

The bitter initial experience led to behind-the-scenes tension between the United States and France, which had at first opposed the Reagan administration's deci-

sion to withdraw so fast, diplomats report.

To prevent a recurrence, France and Italy have obtained assurances from the Reagan administration that it will not order another unilateral withdrawal without consultations, according to well-placed sources in Washington. These pledges are strongly phrased in private but carefully worded in public, the sources said, because the president is barred by the War Powers Act from committing U.S. troops to allied action without congressional approval.

Against this controversial background, the new force will have to perform ably to repair the damage already done to Arab belief in U.S. ability to deliver on commitments in the Middle East. It has a broader mandate to help the Lebanese Army, but the political considerations that hamstringing the first force may undermine the new, larger action.

Already, the delays in deployment — no U.S. marines have landed more than a week after President Ronald Reagan's nationwide address announcing their departure — have raised new suspicions in Arab capitals that the U.S. government is allowing Israel to dictate the pace of developments in Lebanon.

The constraints on U.S. action (Continued on Page 2, Col. 5)

Gold, Diamonds Raise Ante in Guyana-Venezuela Dispute

By Richard J. Meislin

New York Times Service

KAIETEUR FALLS, Guyana — This place, which looks deceptively like the middle of nowhere, is at the center of a gold rush, an oil find, a uranium expedition, a diamond cache, a manganese mine, a timber trove and an international dispute.

Kaieteur, a majestic 741-foot waterfall, is in the heart of the Essequibo, a 58,000-square-mile (150,000-square-kilometer) swath of dense forest, savannah and rivers that is the latest diplomatic headache for the United Nations. Guyana, the five-eight-hundredth of whose territory is here, says the Essequibo is the key to its future. Venezuela says it is the rightful property of its past, snatched in an unscrupulous arbitration award 15 years ago.

From the air, it is hard to see what all the fuss is about. The Essequibo rolls on and on, a green carpet of treetops interrupted only occasionally by a few mountains or a river, sometimes with a lonely shelter clinging to its bank.

But a landing at one of the scrubby airstrips like the one at Kaieteur Falls makes things clearer. A dozen or so "pork knockers" — itinerant prospectors so named because of their method of clearing flies from their dried provisions — stand with their woven straw packs and their large, round leaves, waiting for a plane to take them back to civilization, somewhere hidden on them are little packets of gold and

diamonds that they have sifted from the riverbeds in their days or weeks in the underbrush.

The pork knockers are only part of a treasure hunt with high stakes and enormous profits. Some entrepreneurs have set up diesel-powered dredges in the river. Although all resources gleaned from the area are supposed to be sold to or exported through the government, officials acknowledge that only 10 percent of the gold and perhaps half the diamonds actually pass through state hands.

About 100 miles (160 kilometers) south of here, a more organized exploration earlier this year by the Home Oil Co. of Canada struck a well capable of producing 400 barrels of extremely high grade crude oil a day.

The company pulled out a few months later, saying that the yield had dwindled to about 40 barrels and that its rig was needed for work elsewhere. It said it might return this fall. Government officials are looking for additional exploration partners.

Venezuela Position

Companies from other countries, with government encouragement, have been investigating other resource possibilities, including uranium, gold and hydroelectric power. And the timber that blankets the area contains more than 20 varieties of hardwood.

Venezuela insists that its interest in the area stems not from a lust for resources but from a desire to recapture a

part of its natural heritage that it feels was unjustly taken from it in the arbitration award in 1969.

"It's not economic reasons," said Sadio Garavito, Venezuela's ambassador to Guyana. "What we have on this side we have on the other. I would say that Venezuela cannot — and no Venezuelan government can — forget something that we feel is a strong historical injustice."

The Guyanese feel the Venezuelans are simply sore losers, spurred on by internal political factors and greed. "I think it's the oil," said Rashleigh E. Jackson, Guyana's minister of foreign affairs.

The dispute had been held in abeyance for 12 years by a treaty that expired June 18. Since then the two sides have spent a 90-day cooling-off period sending nasty missives couched in genteel diplomatic language, disagreeing over the method by which the issue should be settled.

The Guyanese, feeling themselves secure on legal grounds, want an international court of justice. The Venezuelans, sensing weakness in the Guyanese government, want direct negotiations. With no agreement in sight, the matter has now gone to the UN secretary-general, whom both sides expect to suggest mediation first and perhaps arbitration later.

The Guyanese fear that if the Venezuelans fail to get the Essequibo peacefully, they might try to take it by force. The government has thus been giving prominent publicity to what it says are border violations by the Venezuelans. The Venezuelans have denied any military designs.



Beirut residents watched as Israeli troops in armored vehicles left the city's port area Tuesday.

Beirut Massacre Fortifies Reagan's Conviction That U.S. Must Lead the Way to Mideast Peace

By John M. Goshko

WASHINGTON — Nearly four weeks after President Ronald Reagan unveiled his Middle East peace initiative, administration officials insist that the massacre in the Palestinian refugee camps of West Beirut has not dented the plan but instead has fortified Mr. Reagan's conviction that the United States must be the leader in trying to bring peace to the region.

With his initiative, Mr. Reagan departed from his previously hesitant approach to foreign policy to try his own version of the bold-stroke personal approach to the Middle East associated with Henry A. Kissinger and Jimmy Carter.

The initial impetus came from Israel's invasion of Lebanon. Then, in the midst of the crisis, came Mr. Reagan's decision to drop Alexander M. Haig Jr. as secretary of state and replace him with George P. Shultz. Perhaps most important, in the view of many familiar with the process, was the interplay of these changes with Mr. Reagan's personality, instincts and personal sense of right and wrong.

Mr. Reagan, who had been largely content to let his subordinates map out details and then refer them to him for approval, became much more intimately involved in every phase of the new Middle East policy from its conception. Mr. Shultz, who acted as Mr. Reagan's architect, straw boss and tutor throughout the process, emerged as the undisputed captain of the administration's resubstituted policy-making team.

"I was determined to seize that moment," Mr. Reagan said Sept. 1 when he called for a freeze on Israeli settlements in the occupied West Bank and Gaza Strip, expanded negotiations to reach an interim autonomy accord for the 1.3 million Palestinian inhabitants of these territories, and eventual self-rule for the occupied lands "in association with Jordan."

At the core of U.S. thinking is a desire to move the Arab-Israeli conflict back to what administration officials call "a centrist frame of reference" between the Arab call to make the occupied territories an independent Palestinian state and the long-range goal of

NEWS ANALYSIS

the Israeli government of Prime Minister Menachem Begin eventually incorporating the territories into Israel.

Before Sept. 1, Mr. Reagan had expressed only sketchy ideas on the Middle East and had been criticized for failing to make a strong effort to revitalize the languishing talks between Egypt and Israel on Palestinian autonomy.

Secretary Haig traveled to Cairo and Jerusalem in January and February to explore the possibilities of breathing new life into the autonomy talks. Finding both capitals preoccupied with the problem of returning the Sinai Peninsula to Egypt, he postponed action until after the Sinai withdrawal in May, while beginning a policy review aimed at sparking a high-level resumption of the autonomy talks during July.

Mr. Haig was left with the impression that any workable solution would require territorial adjustments in safeguard Israel's security, and then association of the rest of the West Bank and Gaza with Jordan.

But because of what one official calls Mr. Haig's "strongly protective attitude toward Begin," the policy review, as it unfolded under his direction last spring, was focused primarily on pushing the Egyptian-Israeli talks toward agreement on the outlines of a limited, five-year autonomy agreement as envisioned by the Camp David accords.

Then, in June, the administration's timetable was upset by Israel's strike into Lebanon and, shortly afterward, by Mr. Haig's resignation.

While administration officials saw the opportunity to exploit the situation with some new initiative, they also found themselves under immediate pressure to do something to prevent irreparable damage to U.S. influence and credibility in an Arab world angry with Washington's failure to curb Israel.

It was at this point that Mr. Reagan made what a White House aide calls "an emotional commitment" to become involved. He was shocked by the bloodshed and destruction in Lebanon and angered by what he regarded as the duplicity and recalcitrance of the Israeli government, according to the aide.

In July, on the day before Mr. Shultz was confirmed by the Senate, Mr. Reagan summoned him to the White House and asked for a new direction for U.S. policy in the Middle East once the Beirut crisis was over.

Mr. Shultz directed the policy review team that he inherited from Mr. Haig to work with the Pentagon and the National Security Council staff to expand its sights beyond a mere resumption of the autonomy talks and to explore options for a more far-reaching approach.

A 'Semiannual' Discussion

He also reached beyond the bureaucracy to begin a broad process of consultation with former officials, Mideast experts, Congress and special interest groups such as the American Jewish community. The first of these involved a semi-annual discussion with Mr. Kissinger, Irving S. Shapiro, the former chairman of Du Pont, and Laurence Silberman, a former deputy attorney general. One participant recalled:

"I believe it was a seminal event in many respects. It exposed Shultz to a full airing of the Jordanian option idea, including the chances of its winning broad bi-

partisan support in Congress and even substantial backing from American Jews. Even more, though, the session had the effect of stimulating Shultz intellectually. I think that by the time it was over he had shifted the problem down to the conclusion that we should go for something big enough to simultaneously tackle both Israel's security needs and redress for the Palestinians."

Other officials who worked with Mr. Shultz said the themes he encountered at that first meeting kept recurring throughout his subsequent consultations. Most of the time, these officials added, Mr. Shultz let others do the talking and then went off to reflect upon what he had heard. Periodically, he would turn up at the White House to give Mr. Reagan and the president's national security adviser, William P. Clark, progress reports on the direction of his thinking, to answer their questions about different aspects of the situation and to discuss ideas.

All this activity was conducted under tight secrecy. Several of the outside experts and members of Congress with whom Mr. Shultz conferred later acknowledged they had no idea of what was coming.

Behind the secrecy was a desire to keep the Begin government from learning about the evolving plan. As one U.S. official put it, "The minute Begin got wind of what was going on, he would have done his damndest to blow the whole thing up on the launching pad."

The officials denied that the secrecy was part of a strategy to force Mr. Begin out of power in favor of Israel's opposition Labor Party. They acknowledged, however, their hope that Mr. Reagan's proposals will trigger a major debate that will make clear to the Israeli public the U.S. view that Mr. Begin is mismanaging relations with his country's most important ally, and force a reassessment of his hard-line attitudes.



A woman protected her face from dust Tuesday as she passed Italian peacekeeping troops stationed near West Beirut's Chatila camp for Palestinian refugees. The demolition of buildings, in a search for residents killed two weeks ago by Christian militiamen, raised huge dust clouds.

Gemayel Faces Crucial Decisions On Cabinet Choice, Slaying Probe

By James F. Clarity

New York Times Service

BEIRUT — President Amin Gemayel is said by knowledgeable Lebanese officials and foreign diplomats to be about to make important decisions on key issues, including one on the question of a government investigation into the killings of Palestinian civilians in refugee camps earlier this month.

Mr. Gemayel, who took office last week, is a Maronite Christian and head of the political wing of the Phalangist Party, whose militiamen committed the murders after they were sent in by the Israelis on Sept. 16.

The 15,000-man militia was commanded by Amin's brother Bashir, who was elected president in August but was assassinated Sept. 14. Many of the militiamen are reportedly not ready to show Amin the same kind of loyalty they had for his brother, and some U.S. diplomats here believe he may not even have known they were going into the camps until after the massacre started.

Just after the killings, Mr. Gemayel said that the Phalangists had no role in the incident. But as evidence accumulated that they did, he has apparently decided to order an investigation. Last week, he publicly approved a preliminary investigation begun by the military prosecutor, Assad Germanos, who began interviewing survivors of the massacre.

Probe of Own Aides

The president is said, in addition, to be planning an investigation by his own security and intelligence officials. If it produced evidence implicating Christian Phalangists, he would be confronted with a difficult political problem.

In his inaugural speech last Thursday, Mr. Gemayel said he was not disclosing a specific program for the country. He added that "there must be an end to all

the wars that others have been fighting on Lebanon's soil and at the expense of Lebanon."

To this end, the president pledged to "work for the evacuation of all foreign forces from Lebanon." But the evacuation of the Israeli and Syrian armies, who face each other in considerable strength along a cease-fire line across the width of the country, is considered a goal that is unlikely to be achieved by the end of the year, if then.

The president is also expected to try to re-establish the Lebanese Army. This is not expected soon. Bashir Gemayel's plan, after the leftist Moslem militia had been eliminated by the Phalangists, was to integrate volunteer militiamen into the army. This brought vigorous protest from Moslem leaders, who foresaw the militia taking control of the army, which now numbers about 25,000.

Legitimate Troops

The president has said little on the problem of the army and the Phalangist militia. In a recent television interview, he said that only legitimate troops of the Lebanese Army would be allowed to operate in Lebanon. He said illegitimate militias would be disbanded, but he did not specifically discuss the future of the Phalangist militia.

Meanwhile, Mr. Gemayel is preparing soon to name a prime minister and a cabinet, which involves delicate balancing of Moslem and Christian desires for power and influence.

The prime minister, according to an unwritten covenant established between Moslems and Christians when Lebanon became independent of France in 1943, must be a Sunni Moslem. The president is expected to follow tradition, but there is speculation among Lebanese politicians and diplomats as to which Moslem leader he will choose. All the leading candidates

are former prime ministers: Takiyeddin Solh, Selim al-Hoss, Saeb Salam and the outgoing prime minister, Shafiq al-Wazzani.

Mr. Salam, 77, was the first head of the provisional Lebanese government in 1943 and is still one of the most influential Sunni Moslems in the country. In recent days, Mr. Salam has said he is not interested in the job, but many Lebanese politicians feel he could still be persuaded to take it.

Generally, Moslem politicians and leaders are more comfortable with Amin Gemayel than they were with Bashir, whose election they vehemently opposed. But some of the Phalangist militia leaders are known to be wondering whether Amin will sacrifice some of his political and military power in order to achieve reconciliation with the Moslems, who comprise a majority of Lebanon's population of about 3 million.

After Bashir Gemayel was elected by the parliament on Aug. 23, Israel began to press for a peace treaty between Lebanon and Israel, a treaty that would allow, if not oust, the Arab world. The new president has made it clear that, while he does not want to estrange Israel, he is in no hurry to sign a peace treaty.

WORLD BRIEFS

Russian Assails U.S. Stand on Arms

GENEVA — The chief Soviet delegate to the talks on reducing intermediate-range nuclear arms, urged U.S. negotiators Tuesday to "act now" for an accord to reduce "the level of nuclear confrontation." The negotiations resume Thursday.

The Soviet official, Yuri A. Kvisinsky, impugned the U.S. negotiating position, saying the Kremlin seeks negotiations "which are not conducted to cover up war preparations." He added, "It is up to the United States to act now."

Paul H. Nitze, the chief U.S. representative, defended the U.S. position as the best prospect for an enduring and verifiable agreement.

The United States has offered to cancel plans to deploy a new generation of 572 sophisticated nuclear weapons in Western Europe if the Russians dismantle their intermediate-range missiles. He added that the NATO allies of the United States entertain "serious concerns" over the Soviet buildup of intermediate-range nuclear weapons.

Officer Barred as Candidate in Spain

MADRID — The Civil Guard officer who led the armed force that held parliament hostage in the attempted coup last year cannot run for a seat in the lower house of the Cortes, officials said Tuesday.

Lieutenant Colonel Antonio Tejero Molina was entered as a candidate in the Oct. 28 general elections by a new far-right party called Spanish Solidarity. But Madrid's provincial electoral college decided late Monday that Colonel Tejero cannot run for parliament. As a member of the paramilitary Civil Guard, he cannot hold office, college officials said.

Colonel Tejero is still in custody while he awaits the outcome of his appeal of the 30-year jail sentence imposed for his role in the rebellion on Feb. 23, 1981. He led 228 guardsmen who held lawmakers hostage for 17 hours in the Cortes building.

U.S. Lifts Sanctions on Argentina

WASHINGTON — The United States has lifted the military sanctions it imposed on Argentina, the White House deputy press secretary, Larry M. Speakes, said Tuesday.

Military and economic sanctions were ordered April 30, shortly after Argentina seized the Falkland Islands. President Ronald Reagan called Argentina an aggressor for using force to occupy the British-ruled islands.

Economic sanctions were ended in July after Britain won the islands back. Mr. Speakes said that the military sanctions were allowed to lapse Sunday and had applied to spare parts in the supply pipeline before the crisis. No decision has been made on additional supplies, he added.

Habré Says Libyans Remain in Chad

NDJAMENA, Chad — Chad's president, Hissène Habré, said Tuesday that Libyan troops and Libyan-backed rebel forces of former President Goukouni Oueddi remain in control of Mr. Goukouni's tribal homeland nearly a year after Libyan troops withdrew from the rest of the country.

"Libya is still present in Chad," Mr. Habré said. Libyan forces are in control not only of Aouzou, which was annexed by Libya, but also of the neighboring zone of the Tibesti range, he said. "The national authorities do not control Aouzou, nor Bardai and Zouar, and we have proof of subversive activities in that part of the country," he added.

Half of France's Doctors on Strike

PARIS — French hospitals reported that about half their doctors refused all but urgent work for the second day Tuesday as part of a week of protest by professionals in the health service against the policies of the Socialist government.

The hospital doctors' union was calling on members to refuse to perform routine operations and treatment in order to press grievances involving pay, changes in medical training and the health administration. Protests are due to reach a peak Thursday, when thousands of physicians, dentists, pharmacists, physiotherapists and other medical professionals are expected to respond to a call by their unions to stop work and attend public demonstrations.

Socialists Made Contacts in Moro Case

ROME — The Socialist Party's leader, Bettino Craxi, testified Tuesday that his party made contacts with emissaries of the Red Brigades in a vain attempt to free the kidnapped former prime minister, Aldo Moro, in 1978.

But Mr. Craxi said his party would not go along with a demand by the leftist guerrillas to exchange 13 imprisoned terrorists for the Christian Democratic leader. He appeared at the trial of 63 men and women accused of the murder of Mr. Moro and other crimes. He was followed on the stand by former Prime Minister Giulio Andreotti.

Mr. Andreotti's government had refused to negotiate with the kidnappers, causing bitter criticism by Mr. Moro's family. The Socialists at the time sought a middle course. "The proposal by the Red Brigades for the release of 13 prisoners was unacceptable," Mr. Craxi said.

Israelis Leave West Beirut, Reportedly Will Quit Airport

(Continued from Page 1)

Chatila, where the massacre took place.

In Paris, the French External Relations Ministry said, 480 French troops from the United Nations Interim Force in Lebanon stationed in southern Lebanon would join the 1,100 paratroopers already here.

The French and Italians have been given primary responsibility for security in and around the camps, while the Lebanese Army has now established its presence all through Moslem West Beirut. There are now no Moslem militiamen visible anywhere on the streets of the western sector after

eight years of political turmoil. But Christian militiamen can still be seen manning checkpoints and checking papers in the eastern sector.

PLO Officer Killed

The New York Times reported that the Palestine Liberation Organization had lost one of its top military officers and strategists with the assassination in eastern Lebanon Monday night of Brigadier Saad Sayel, who was a close adviser in the PLO chairman, Yasser Arafat.

Brigadier Sayel, who was better known as Abul Walid, was killed in an ambush on a main highway near the ancient town of Baalbek

in the Bekaa Valley 45 miles (70 kilometers) east of Beirut.

According to a brief account given by Wafa, the PLO's news agency, about 30 gunmen opened fire at the officer and then escaped. It accused "Zionist murderers and their criminal agents" of responsibility.

Dead on Arrival

Mr. Walid, 53, was rushed to a hospital in Damascus but was dead on arrival, the report said. Wafa added that the brigadier was on an inspection tour of PLO bases in eastern Lebanon.

Mr. Walid was the chief of the PLO's "operations room," a post

equivalent to chief of staff, and was a member of the Central Committee of the mainstream guerrilla group, al-Fatah.

Until the end of August, the operation room was centered in West Beirut. Mr. Walid was among the last Palestinian leaders to leave here as part of the evacuation of the guerrillas from the city under a U.S.-mediated agreement.

He was credited for organizing the resistance by the PLO in Beirut during the two-month siege by Israeli troops. He also headed the Palestinian side in a joint committee with Lebanese Army officers that laid down the details for the PLO withdrawal.

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New Peace Force Is Facing Skepticism of Arab Public

(Continued from Page 1)

now, diplomats say, are the same factors that led the Reagan administration to behave in a gingerly fashion in the initial peacekeeping operation. The political factors governing Western decisions in both operations are so sensitive, especially after the Beirut massacre, that no decision maker has agreed to discuss them openly, but a few diplomats involved in both forces partially reconstructed events on the condition that they not be identified.

American Impetus

Even public statements, although guarded, make it clear that the Reagan administration triggered the departure of the tripartite force from Beirut after the evacuation of the Palestinian fighters.

The administration appears to have been motivated mainly by a fear that the marines might suffer casualties or that escalating violence might lead to deeper U.S. involvement, triggering congressional and press criticism. "The Vietnam syndrome, against any U.S. on a Reagan administration operation that is essentially peacekeeping," a U.S. official said.

The marines were deployed only in the Beirut port, where there was little risk of combat. Similarly, the new U.S. force has delayed its landing at Beirut until any risk of a political confrontation with the Israelis or military clash with forces opposing the Israelis has been eliminated.

On Sept. 7, U.S. officials notified the French and Italians that the marines would leave Beirut three days later — 11 days before the original cutoff date agreed on for the peacekeeping mission.

French Decision

Confronted with the U.S. decision to leave, the French government, although it wanted to stay, concluded that its own contingent was too small to remain on its own because it would be militarily powerless to intervene in the event of a major upheaval, sources said. Still, it remained four days after the U.S. departure.

Italy, which has none of France's traditional ties to Lebanon or any active policy in Middle East affairs, pulled out its troops at the same time as the United States.

Senior French officials, as a last gesture, toured Beirut on Sept. 13

and reported that life was returning to normal. French troops held the airport road running alongside the Chatila and Sabra refugee camps, where the massacre would occur later in the week. That night, the French contingent left, turning over their positions to the Lebanese Army.

The following afternoon the Lebanese president-elect, Bashir Gemayel, was killed by a bomb. During the night, Israeli forces took over Beirut, including the perimeter of the two refugee camps.

U.S., Europe Still Divided

(Continued from Page 1)

focused on the possibility of developing alternative sanctions against the Soviet Union to the penalties the Reagan administration is now imposing against European companies participating in the Soviet natural gas project with U.S.-licensed equipment and technology.

Relations between the United States and its European allies, particularly Britain, France, Italy and West Germany, have been severely strained over President Ronald Reagan's sanctions policy against the Soviet Union for its involvement in the imposition of martial law in Poland last December.

U.S. officials said the problem at the moment is that Mr. Reagan, having taken a firm position, is unwilling to lift the sanctions and ease the policy unless martial law is lifted in Poland.

Company to Send Turbines

A West German company with government approval said Tuesday it would defy the U.S. sanctions and deliver turbines for the Siberian natural gas pipeline, United Press International reported from Frankfurt.

A spokesman for the AEG-Kanis engineering firm said it had informed the Soviet Union it will ship the first of 47 turbines it has agreed to make for the pipeline. The spokesman would not confirm a report the first shipment would be made this week.

House Postpones Action

In Washington, the House put off action Tuesday on a bill to end the sanctions, UPI said. The postponement was made at the request of Mr. Shultz.

هكذا من النهر

A U.S. Job Line: Many Wait, Few Are Hired

296 Openings at a New Hotel Attract 4,508 Very Eager Applicants

By William E. Geist

HEMPSTEAD, N.Y. — "Real jobs," said George DeToia, with a touch of awe and hope. "They say they have real jobs in there."

Mr. DeToia, 20, had had quite enough in recent months of competing the classified ads and pounding the pavement. Finally he was standing at a door with "real jobs" behind it.

Unfamiliarly, he was standing along with hundreds, then thousands of others as word spread fast that Marriott Hotels Inc. was hiring a complete staff for a new hotel in this town on Long Island, near New York City. A hotel spokesman said 4,508 people, many of them "highly overqualified," eventually showed up to apply for 296 positions ranging from dishwasher to desk clerk.

Those conducting the job interviews said they were seeing many former teachers and airline employees, as well as college graduates with degrees in liberal arts, applying for clerk and waitress jobs. Many women returning to the work force were seeking a second income for their family, and there were people saying they needed a second job simply to make ends meet.

More than 1,100 people stood in line for up to seven and a half hours on the first day that applications were taken, despite repeated announcements by hotel officials that the company would accept applications the next day and that it would not hurt anyone's chances for employment to come back then. "You absolutely couldn't move them," said Jim Conley, a Marriott personnel director.

Applicants carrying babies and briefcases and dressed in everything from blue jeans to three-piece business suits formed lines in the parking lots and on the sidewalks.

John Moore was standing first in line one of the mornings and leaving little to chance. He had arrived at 6 A.M., three hours before the office opened, with his shoes freshly polished, his hair closely cropped, his pants newly creased and the knot on his tie just so.

His mood eroded for the entire three hours, flashing a nervous smile and a "Good morning" at everyone entering the state office building where the interviews were being conducted. Some of them had to be Marriott officials, he reasoned.

"Every little bit counts," explained Mr. Moore, 25, who was laid off by Delta Air Lines earlier this year. "When jobs are as

tough to get as they are now, you even watch your penmanship on the applications."

Although the 6.5-percent unemployment rate in this suburban area is below the national average of 9.8 percent, Ernie Palmer, who was applying for a bartender's job, probably spoke for the majority of the applicants when he said he didn't know about statistics. All he knew is jobs are hard to get and there's a tremendous number of people here.

At 9 A.M. the security people took Mr. Moore and the next nine people in line into the building and onto the elevator. All 10 enthusiastically greeted the elevator operator.

Mr. Moore was interviewed by Mary Austenson, a personnel specialist who tried to engage the applicants in conversation and rated them on appearance, job stability and experience before placing their applications in one of three piles. Mr. Moore was out the door in less than 20 minutes.

"I'm optimistic," he said. "You have to believe that if you try hard enough you can get a job."

With that, he drove home to continue his job search and to wait for the call that 296 would receive and 4,212 would not.

U.S. Congress to Vote On Breeder Reactor, Troop Levels Abroad

By Helen Dewar

WASHINGTON — Some old issues in new dress, from the Clinch River breeder reactor to U.S. troop levels in Europe, face Congress as it rushes to approve stopgap funding for the government before leaving town this weekend for a month of campaigning.

With Congress due to return for a lame-duck session after the Nov. 2 elections, probably on Nov. 29, there is little pressure to act on anything more than a few appropriations bills and a "continuing resolution" to provide interim financing for the rest of the government.

Close Vote Seen

But foes of the Clinch River reactor, which as it produced power would also produce plutonium that opponents warn could be used in nuclear weapons, are seeking to amend the continuing resolution to include language that would scuttle the controversial Tennessee project.

It took some arm-twisting last year by the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, the project's leading champion, to keep it alive. Even then, it survived in the Senate only by a vote of 48-46. With the courts having recently cleared the way for site work on the project, foes are pressing for a vote as quickly as possible and hoping that campaign sensitivities over the project's cost, now officially estimated at \$3.6 billion, will help their cause.

Both sides expect the vote to be close. There is also opposition in the House, but it was blocked there when the House version of the continuing resolution was con-

sidered without any opportunity for amendments.

Another dispute may arise over the Senate Appropriations Committee's decision, also as part of the continuing resolution, to strip the Federal Trade Commission of authority over doctors, lawyers and other state-regulated professionals.

On the troop issue, Senator Theodore F. Stevens, an Alaska Republican who is chairman of the subcommittee on military appropriations, put the Senate on notice Monday that at least some Pentagon officials were trying to torpedo an Appropriations Committee recommendation to reduce U.S. troop levels in Europe by 23,000.

As approved by the Appropriations Committee, the Senate version of the continuing resolution includes the troop reduction mandate, and Senator Stevens said Monday he will fight to retain it. The House version of the bill would simply continue current spending levels for the Pentagon, without any troop reductions.

The Senate was scheduled to take up its continuing resolution Tuesday, with action expected by Wednesday. The House passed its bill last week. Both versions would expire in mid-to-late December. Differences over the expiration date and other matters are to be resolved in a conference later in the week.

Because existing spending authority for the government expires with the end of the current fiscal year at midnight Thursday, the bill must be passed and signed into law by President Ronald Reagan by then to avoid a disruption in government activities.

Senate Committee Rejects 'Flat Tax' In U.S. but Pledges to Study Reform

United Press International

WASHINGTON — The Senate Finance Committee, during its first hearing on major tax reform, rejected Tuesday a "flat tax" on Americans but said it would investigate ways to simplify the tax system in the coming months.

The committee's chairman, Senator Robert J. Dole, Republican of Kansas, said that a simplified tax code — one that eliminates most deductions and credits but imposes a sharply lower tax rate — would be a high priority of the next Congress. The panel also plans to continue the first round of hearings Thursday.

But the idea of a pure "flat tax" that would levy the same tax rate against all income levels was gen-

erally rejected by most of the panel members and witnesses.

"If you're rich, you'll love it," Senator Russell B. Long of Louisiana, the panel's senior Democrat, said of the proposal. "If you're not rich, watch out."

The committee then turned its attention to the political realities of simplifying the current tax system. Senator Lloyd M. Bentsen, Democrat of Texas, said he supports thorough tax reform. But he warned that the housing industry, state and local governments and religious organizations would be up in arms at any suggestion of eliminating tax deductions for mortgage interests, municipal bonds or charitable contributions.



THE GEORGE AND TAMMY SHOW — George C. Wallace, who is seeking a fourth term as governor of Alabama, campaigned for a Democratic Party runoff election with the help of Tammy Wynette, the country music star. They sang "Amazing Grace" at a rally in Montgomery.

Valerie Bettis, Dancer, Choreographer, Dies

New York Times Service

NEW YORK — Valerie Bettis, 62, a dancer and choreographer, died Sunday.

Although she achieved fame as a modern dancer, Miss Bettis also appeared on Broadway and she created ballets.

Miss Bettis was born in Houston, where she received her early dance training. After moving to New York in 1937, she studied with various teachers. In 1939 she performed in the "Railroads on Parade" show at the New York World's Fair and in 1941 she made her choreographic debut.

She directed groups of her own that, over the years, bore such names as Dancers Studio and the Valerie Bettis Theater-Dance Company.

Among her dance dramas were such works as "The Desperate Heart," a 1943 solo to a poem by John Malcolm Brinnin, and "As I Lay Dying," a group work of 1948 based on the novel by Faulkner.

In 1947 she created "Virginia Sampler" for the Ballet Russe de Monte Carlo, thereby becoming the first modern dancer to do choreography for a classical company. Among musicals for which Miss Bettis created dances were "Beverly Hills Cop," "Two on the Al-

ley," Lee Strasberg's 1951 version of "Peer Gynt" and "Ulysses in Nighttown," adapted from Joyce's "Ulysses." She worked with Rita Hayworth in films, including "Affair in Trinidad" and "Salome."

Ahmed Hussein

CAIRO (AP) — Ahmed Hussein, 71, a leader and elder statesman of Egypt's opposition Arab Socialist Labor Party, died Sunday, the government news agency reported.

Mr. Hussein, a retired journalist and lawyer, had been paralyzed since 1969. He was hospitalized last week with heart problems. He campaigned against corruption and colonialism before the 1952 military coup that toppled King Farouk.

Allyn Cox

WASHINGTON (WP) — Allyn Cox, 86, an artist whose work includes some of the major murals and frescoes in the Capitol, died Sunday.

Billy Bowen

NEW YORK (UPI) — Billy Bowen, 73, the last of the original Ink Spots singing group, died Monday.

Executives' Study of U.S. Agencies Questioned

By David Burnham

WASHINGTON — Scores of business executives who are working with a presidential commission to help reduce the cost of government have been assigned to examine agencies that regulate the executive corporations.

An unpublished list of the panel members shows, for example, that a commission task force looking for ways to cut costs and improve the efficiency of the Environmental Protection Agency includes numerous officials drawn from companies involved in activities that are regulated by the EPA.

"The presidential advisory panel has refused to give the list to the General Accounting Office, the investigative arm of Congress."

Some members of Congress have raised questions about the commission, both because of its refusal to cooperate with the General Accounting Office and because of suspicions that the commission is reaching into political and policy questions as well as matters of government efficiency. The House Post Office Committee is now investigating the commission.

The commission, called the President's Private Sector Survey on Cost Control, is a public body cre-

ated under the Federal Advisory Commission Act of 1972 by executive order June 30. Its central job, according to the order, is to "conduct a private-sector survey on cost control in the federal government" and advise the president "with respect to improving management and reducing costs."

The commission's chairman is J. Peter Grace, the chairman and chief executive officer of W.R. Grace Co. Mr. Grace, who said through a spokesman that he did not feel it appropriate for him to discuss the work of the advisory body, oversees a 150-member executive committee made up of the heads of many of the country's biggest companies and financial institutions.

Possible Arguments

Larry M. Speakes, the deputy White House press secretary, said that the commission had "made every effort to be absolutely certain that there is no conflict-of-interest problem."

He added that Fred F. Fielding, counsel to President Ronald Reagan, had consulted with the Justice Department and top lawyers in the federal agencies in this effort and that specific agreements had been worked out on the conditions under which the panel mem-

bers were given access to information in the government's files.

Companies whose officers are members of the commission are reluctant to discuss their functions, but some could be expected to contend that they were named to agencies that regulate them because they understand the work of the agencies better than executives from other companies.

Representative William D. Ford, Democrat of Michigan, who heads the investigations subcommittee of the Post Office Committee, said, "Given the scope and mission of this large and ambitious undertaking, we feel there is a need for Congress to know much more than it does about how this inquiry is developing, who is doing the work and the methods that are being employed."

Mr. Ford believes that, in some cases, the task forces may improperly seek to influence the policy judgments of the separate agencies. Other critics have wondered whether the task force's members may not gain access to confidential information that would benefit their corporations.

The Grace commission includes such business leaders as Roger E. Birk, president of Merrill Lynch & Co.; James L. Ferguson, chairman of General Foods Corp.; William

M. Agee, chairman of Bendix Corp.; William C. Butcher, chairman of Chase Manhattan Bank; Coy G. Ecklund, chairman of Equitable Life Assurance Society of the United States; and Donald E. Procknow, president of Western Electric Co.

General Problems

Working under the panel's executive committee are 35 separate task forces examining ways to improve the efficiency of various federal agencies and to explore more general problems such as data processing and the management of the government's financial assets.

The list of members shows that a significant number of the corporate experts assigned to some of the task forces have been drawn from companies that are either subject to regulation by the agencies they are studying or from companies with a commercial interest in the problem under examination.

For example, virtually all of the 68 members on the panel studying the Environmental Protection Agency come from corporations that are engaged in industrial activities that have been the targets of that agency's enforcement efforts, such as Diamond Shamrock Corp., Union Carbide Corp., Dow Chemical Co. and Monsanto Co.

Manila Crackdown Reins In Labor Movement

But Government Has Yet to Produce Evidence of Anti-Marcos Plot

By William Bonigun

MANILA — When Philippine security men arrested Ferdinand Marcos on presidential orders at his home last month for an alleged plot against the government, they stormed through the house and carted away a truckload of books, papers and other belongings.

But what most upset the 79-year-old union leader and longtime Communist, according to one of his lawyers, was the seizure of his prized collection of Playboy and Penthouse magazines.

"The event was hardly an incitement to rebellion, but they may have been an incitement to something else," said the lawyer, René Segura.

He used the anecdote to argue that even though the authorities have broad powers of search and seizure, they have failed to turn up the evidence to prove their assertion that Mr. Olalia and 67 others were involved in plotting a wave of strikes, assassinations and bombings that were to culminate in the overthrow of President Ferdinand E. Marcos next year.

Whatever the truth, it is clear that the crackdown on the dissident labor movement has reined in, at least for the time being, an increasingly troublesome sector of society over which the government has long felt it lacks adequate control.

The crackdown also smothered the threat of embarrassing nationwide strikes planned to take place during the visit of Mr. Marcos to the United States, which ended Monday.

According to Western diplomats

and Philippine observers, the crackdown had been brewing several months before Mr. Olalia's arrest Aug. 13. Authorities were annoyed by persistent labor unrest since martial law was lifted in January 1981, and they blamed leftist union organizers for fomenting strikes.

Although fewer strikes have been staged this year than last, they generally have lasted longer and have cost nearly twice as many man-hours, according to government statistics.

The first warning to unions occurred this spring when government-oriented newspapers splashed their front pages with stories of links between some Philippine labor leaders and foreign backers. The campaign abated after a few days.

May Day Speech

Then, in a May Day speech, Mr. Marcos blasted "elements in the labor movement who advocate the use of violence and defiance of law, who seek to turn collective bargaining into a bloody civil war."

The next month, the government was alarmed when 9,000 workers allied with Mr. Olalia's May 1 Movement staged a sympathy strike in the vital Bataan export-processing zone for 54 workers who had been imprisoned for illegal picketing.

Although the strike lasted only three days, it caused great concern because it closed 18 of 55 factories in the zone, an export-oriented manufacturing area where the government is trying to attract foreign investment. In the view of government officials, the strike thus showed a potential for serious la-

bor troubles stemming from minor incidents.

The final straw evidently occurred in July when Mr. Olalia and other labor leaders agreed to call a one-hour general strike in September to protest price increases, alleged police brutality and a new law that tends to limit the right to strike. Observers believe it was the prospect of strikes for purely political motives that provoked Mr. Marcos to crack down.

The charges that the labor leaders planned a subversive terrorist campaign have been met with some skepticism, especially since authorities have not made public the evidence that they claimed to have, according to Western diplomats.

Instead, government accusers have cited Mr. Olalia's radical speeches going back to last year, prompting some critics to question why he was not arrested earlier.

Opponents and supporters of Mr. Marcos generally agree that the timing of the crackdown has served to remind Filipinos that the 65-year-old president is still very much in charge.

Although Mr. Olalia was arrested under a presidential order that allows for indefinite detention without bail, there are signs that he might be released for health reasons until his trial. According to his lawyers, the aged union leader became ill in detention and had to be moved to a military hospital for a while.

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Mexico Protests Publicly to Guatemala Over Alleged Territorial Incursions

New York Times Service

MEXICO CITY — Mexico for the first time has protested publicly about recent incursions by Guatemalan troops involved in counterinsurgency operations in border regions.

In a letter delivered last week and made public here over the weekend, Mexico's foreign minister, Jorge Castañeda de la Rosa, also referred specifically to the disappearance — and apparently the murder last year of Jesús Silva Herzog, a Mexican vice consul stationed in the Guatemalan border town of Malacatan.

Mr. Castañeda said Mexico was requesting that "clear and absolute instructions be given to Guatemalan troops and paramilitary elements that operate in the frontier zone to respect scrupulously

Mexican territory and to abstain from entering it or firing at persons on the Mexican side of the frontier."

Although the flight of more than 40,000 Guatemalan refugees into Mexico in the last year has increased tensions and resulted in numerous unpublicized border incidents, Mexican officials said the decision to protest formally and publicly reflected their concern that the situation has deteriorated since Guatemala launched a new anti-guerrilla offensive in July.

South Korean Students Hold 2d Demonstration

Reuters

SEOUL — About 400 South Korean students demonstrated at a Seoul university Tuesday, the second demonstration in two days, but they were quickly dispersed by police, witnesses said.

The students at the Sogang Jesuit University shouted "down with Fascists" and demanded the resignation of President Chun Doo Hwan, the witnesses said. Police using tear gas quickly dispersed the students. No arrests were reported.

Cholera in Truk Islands

Reuters

MANILA — Nine persons have died in an outbreak of cholera that has hit more than 600 people in the Truk Islands, the World Health Organization said Tuesday. Truk Islands, in the central Pacific, are a trust territory administered by the United States.

Herald Tribune

Published With The New York Times and The Washington Post

Moral Issues on the Stump

Now that the Senate has rejected attempts by Jesse Helms and others to permit states to ban abortions and write school prayers, we can expect President Reagan and other Republicans to raise these issues on the stump. In the short run, it may be good tactics, distracting voters from what many regard as the failure, or at least lack of success, of Reaganomics. And on these issues, Mr. Reagan and the Republicans can portray themselves still as dissatisfied outsiders to an electorate that reflexively expresses dissatisfaction with the status quo.

But the short-run gains seem limited; abortion is an issue on which most voters — particularly young voters with weak party preferences — do not share Mr. Reagan's views, and few voters feel strongly enough about school prayer to cast their votes solely on that issue. In the long run, issues such as abortion and school prayer may prove more harmful than helpful to those raising them.

We say this first of all because these are, for so many voters, basically moral issues, and yet inevitably, in the give and take of political conflict, the moral purity of any position is compromised. This has already happened, as opponents of abortion agree to support a constitutional amendment that would give states their choice on the issue — which would mean allowing abortion in many states. If you believe that abortion is murder, that is not a morally appealing position.

The other reason that emphasis on moral issues, such as abortion and school prayer, may turn out to be politically counterproductive is that such emphasis tends to promise more than government can deliver. Advocacy of school prayer and opposition to abortion are positions that, for many voters, symbolize

attitudes and concerns that are larger and more difficult to articulate. The majority of voters who want school prayers permitted want this not simply because they want children to mumble a few religious words in class each day; they want symbolic endorsement of a set of values they sense that many Americans — especially younger Americans — do not respect. Many opponents of abortion not only want to stop abortion, but would also like to discourage what they regard as immoral sexual practices.

Can government action achieve such goals? We doubt it. Government action has on occasion genuinely changed people's minds as well as their behavior — we have in mind the civil rights laws. But generally the power of ideas and cultural attitudes are stronger than the power of government. If parents do not want to raise their children in the moral atmosphere advocates of school prayer are seeking, if 1.4 million women each year continue to want abortions — in those cases, any laws Congress can be persuaded or bludgeoned into passing are not going to do much to change everyday life.

As these issues are debated more, we expect that voters will sense this — just as they discovered, after the law-n-order issue had been raised in a few elections, that there is not much the president or members of Congress can do to stop crime. Then those with genuine moral concerns can go about the business of making their views prevail in the marketplace of ideas, and politicians can make promises on economic and foreign issues on which government is capable of delivering.

—THE WASHINGTON POST.

Doctor's Advice

Martin Feldstein's arrival at the White House gives the Reagan administration a welcome opportunity for a fresh start in economic policy. Well, perhaps not an entirely fresh start — not in the midst of a continuing battle, from entrenched positions, over budgets and taxes. But Mr. Feldstein, a forceful intellect if ever there was one, is taking over as chairman of the president's Council of Economic Advisors at a moment when the administration badly needs a clearer sense of direction. In confirmation hearings last week, he was talking about the right things in the right tone.

His view of the world is not much different from that of his predecessor, Murray Weidenbaum, but he arrives in circumstances that are likely to give him more influence than Mr. Weidenbaum ever enjoyed. In the first euphoric days of an administration, all things seem possible, and Mr. Reagan extravagantly indulged all of the eccentric theories that had followed him into office. Those eccentric theories all had one thing in common: they assured Mr. Reagan that he could stop inflation in its tracks with no pain, no lost jobs and no recession. The present state of affairs, as Mr. Feldstein told the senators, decisively proves that wrong.

He then briskly proceeded to dump overboard the supply-side theory, as expounded in the earlier phase of this administration, and to make it clear that he was not going to waste his time defending the more extreme, gaudy monetarist claims. People at the White

House must have blinked at some of those lines. But they cleared the testimony, and that is a good sign. It is another indication that they acknowledge the president's need for better economic direction than he has been getting from the Treasury. It often happens that the appointee who arrives in the middle of a term is taken more seriously than the president's original choice. It is easier to start taking the doctor's advice if the doctor is not the same man whose advice you have been ignoring for 18 months.

Mr. Feldstein, like the good conservative that he is, lays heavy emphasis on savings and investment. Unfortunately, the most conspicuous drag on savings in this country is the federal deficit. In this kind of calculation, the deficit counts as negative savings, preempting resources from other kinds of investments. Mr. Feldstein worries that raising taxes to close the deficit will destroy the incentives that generate strong growth. That is likely to be the central dilemma of domestic policy for the remainder of this presidency.

Generous as always, we shall offer a paragraph of advice to the adviser: higher taxes are better than higher deficits. Americans' willingness to pay taxes is relative to the need that they see for it. There is no reason why, as a country gets richer, it should not put a larger share of its wealth into the many different public guarantees of security — ranging from the Marine Corps to Medicare — that people can only buy collectively.

—THE WASHINGTON POST.

Other Opinion

Hong Kong's Future

There is no wish on the British side to spurn the emotions of Chinese nationalism. While British jurisdiction continues and the population remains Britain's responsibility, questions are bound to arise that touch on issues of sovereignty, present or eventual. Take landing rights for airlines in Hong Kong, among many possible examples. There have been differences before now between Hong Kong and London over such matters. In future years it will be obvious that China's attitude in such matters cannot be disregarded.

—The Times (London).

Election in Hesse

The phenomenal rise of the Greens as a protest movement reflects the stifling nature of the West German political consensus, the narrowness of the political spectrum and the failure of the Social Democratic Party in particular and the established parties in general to accommodate idealists who ask pertinent but awkward questions about the environment, nuclear weapons and fast-breeder reactors.

West Germany is lucky, perhaps, to have escaped a repetition of the extra-parliamentary opposition which protested so violently

against the suffocation of dissent by the Grand Coalition government of the late '60s which was distilled into the terrorism of the '70s. This time the protest movement has taken the path of fighting and winning parliamentary seats. But their breakthrough into state parliaments tends to paralyze government where they hold the balance of power. The Greens must now choose between joining in the process of government (and inevitably discovering that power corrupts) or retaining their "purity" and gumming up the system.

—The Guardian (London).

China and Russia

Like a pair of doves, the Soviet Union and China seem to be warily trying to get back on speaking, rather than spitting, terms. The Chinese leadership has its reasons for not wanting to slam the door shut on Moscow. Mr. Brezhnev may be right to believe there is now enough daylight between China and the U.S. through which to drive a wedge. The dispute over U.S. arms sales to Taiwan has soured Peking's relations with Washington recently. Mr. Deng Xiaoping, the senior Chinese leader, may still favor ties with the West, but he is by no means unchallenged in this view.

—The Financial Times (London).

SEPT. 29: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Teddy's Future

WASHINGTON — President Roosevelt's future, whether as president-maker in 1908, as candidate for re-election, or as a candidate in 1912, is the feature of politics in which the American people are most interested. Those who look for President Roosevelt to reiterate his election-night statement of 1904, that under no circumstances will he accept another nomination, will probably be disappointed. For those who think that circumstances may make him a candidate, he is willing to let his ultimate course remain an enigma. This helps rather than hinders his efforts to assist the nomination of a man who will carry out his policies. At the present this spells Mr. William H. Taft, Secretary of War.

1932: Failures of the League

PARIS — Today's editorial reads: "The League of Nations plainly does not like to be told the truth. Otherwise it would not have listened to Mr. Eamon de Valera's opening remarks at this year's assembly with 'cold silence.' He said: 'People are starting to inquire whether the League's successive conferences justify the burden that contribution to the League budget imposes upon the taxpayer.' Mr. De Valera may not be a diplomat but as an interpreter of public opinion he is absolutely right. The League has failed to meet any issue courageously and has resorted to procrastination or downright cowardice, as in the case of Corfu and now Japan."

Kennedy Is Still Trying to Shake the 'Character Issue'

By David S. Broder

WASHINGTON — Senator Edward M. Kennedy, Democrat of Massachusetts, has committed about \$800,000 to producing and airing four five-minute television spots in which members of his family, clerical, friends and acquaintances affirm that the senator is a man of compassion, sympathy and steadfastness in his personal relationships.

The commercials are being broadcast in Massachusetts, where Senator Kennedy, as usual, faces no serious threat in November as he attempts to extend his 20-year Senate career for another term. In that state at least, he enjoys what is in every sense a good name.

The real purpose of the ads was made clear when they were previewed last week for national political reporters in Washington. They are the first step in a concerted effort to bury the "character issue" that plagued Mr. Kennedy in his 1980 presidential race.

That issue had its roots in a college test cheating incident at Harvard. It reached a climax 13 years ago at Chappaquiddick, where Mr. Kenne-

dy's woman companion drowned in a car he had driven off a bridge. The senator himself said that "overcome by a jumble of emotions, grief, fear, doubt, exhaustion, panic, confusion and shock," his reaction, and particularly his delay in notifying authorities of the accident, was "indefensible."

In the 1970s, the character question was fed by reports of persistent womanizing on Mr. Kennedy's part and the estrangement from his wife, Joan, that was awkwardly cloaked in their joint appearances during the 1980 race but formalized by a legal separation after that election.

In the 1980 primaries, the campaign organization of President Jimmy Carter efficiently exploited the character question with tough TV ads in which supposed average citizens said of Senator Kennedy: "I just don't trust him. I don't believe him." Mr. Kennedy fought back with ads in which his mother and sisters defended his character, but they were crudely made and obviously defensive.

The new ads are slick and powerful, playing off the tragedies of the Kennedy family, from the deaths of his brothers to the cancer that cost his son a leg. They show the senator carrying on his work under emotional burdens "few of us will ever experience."

The narrator who uses that phrase also says that despite the buffeting of fate by which "lesser men would have been rendered useless," Edward Kennedy "continues to function as a loving father, as head of the entire Kennedy clan, and as one of the country's most effective senators."

The picture the new ads draw of Senator Kennedy is not a fiction. Like other reporters who have covered him, I can cite examples of unpublicized instances in which the senator has gone out of his way to cheer and comfort and sustain friends and strangers who have suffered illness or accidents or problems of their own.

But the mere fact that he is spending about \$800,000 to try to spike the

character question is in itself a measure of the seriousness with which he views it as an obstacle to his undoubted presidential ambitions.

By raising the issue himself, in his walk-away contest with Ray Shamie, his Republican opponent in Massachusetts, Senator Kennedy almost guarantees it will be raised again, under possibly more testing circumstances, in his next presidential campaign.

If there were any doubts that there are Democrats determined to defeat Mr. Kennedy for president, they should be put to rest by Hamilton Jordan's new book, "Crisis: The Last Year of the Carter Presidency."

Mr. Jordan, Jimmy Carter's former chief of staff and principal campaign strategist, writes with undisguised scorn of Mr. Kennedy. He reports, in full, a June 25, 1980 memo he gave the President. In it, he laid out no less than six ways in which "Kennedy's sustained and exaggerated attacks"

severely damaged Mr. Carter's chances of re-election.

He describes as "blackmail" a discussion in which Stephen Smith, Senator Kennedy's brother-in-law, allegedly linked Mr. Kennedy's willingness to campaign for Mr. Carter in the general election to Mr. Carter's willingness to help Mr. Kennedy pay off his primary-election debt.

And Mr. Jordan quotes Mr. Carter as saying of Kennedy: "I don't think he cares about the party or who wins in November. Deep down, I suspect he'd rather see Reagan elected than me."

What we have here, in short, is a whole new version of the character question. Mr. Kennedy is portrayed, not just as hoodless of other individuals, but as one who plays rule-or-run with the future of his party and his country.

The odds are good that the "character ads" now running in Massachusetts are not the last that Ted Kennedy will have to buy in the next few years.

The Washington Post.

Mexico Deserves More Attention in the U.S.

By Frank del Olmo

LOS ANGELES — Mexico is either directly or indirectly involved in some of the most important foreign policy issues facing the United States — a safe, consistent energy supply, illegal immigration, war and peace in Central America.

And Mexico is, or should be, the single most important foreign policy issue facing California as a state. Almost 20 percent of the state's population is of Mexican extraction, and many of those people still have business, family or cultural ties to the "old country," an old country that is only a few minutes' drive from one of California's largest cities.

So it is perplexing that so little has been made of U.S.-Mexican relations in the political campaigns, particularly in the race for the U.S. Senate between California's Democratic governor, Edmund G. Brown Jr., and San Diego's Republican mayor, Pete Wilson.

Maybe journalists have not been asking the right questions. Or perhaps it is the candidates' strategy to ignore this issue.

Immigration, especially when it is illegal, is an emotional subject, after all, and the peso devaluation is complicated. What needs issues like these when you are trying to hold onto your lead in the opinion polls, as Mayor Wilson is doing, or playing catch-up and hoping that your opponent will make mistakes you can react to, as Governor Brown is doing?

Sound Strategy

I am realistic enough to concede that a political strategy that avoids controversial and complex issues is probably sound. But I cannot shake the feeling that we in California are losing a rare opportunity in the Brown-Wilson race to show the rest of the country what a constructive dialogue about U.S.-Mexican relations could be like.

At a time when so much of the discussion in the United States about Mexico, both by politicians and other public figures, is negative and threatening, neither Mr. Brown nor Mr. Wilson has gone along with the paranoia.

The most recent illustration of the prevailing attitude toward Mexico was the interview of Clara Boothe Luce, a former U.S. ambassador and congresswoman, in GEO magazine.

She speculated that immigration from countries like Mexico would eventually bring the United States to ruin, as with imperial Rome.

Mrs. Luce's intolerant remarks have angered many Latinos, but they are only the latest negative outbursts on the subject of Mexico in the United States. A few years ago, William Colby, former CIA director, even went so far as to suggest that the greatest security threat that the United States faced might be not from the Soviet Union but from Mexico.

It is almost impossible these days to keep track of all the commentaries, from liberals like The New Republic's TRB to conservatives like William F. Buckley Jr., who have taken on pondering darkly the problems and dangers posed for the United States by Spanish-English bilingualism.

Scary

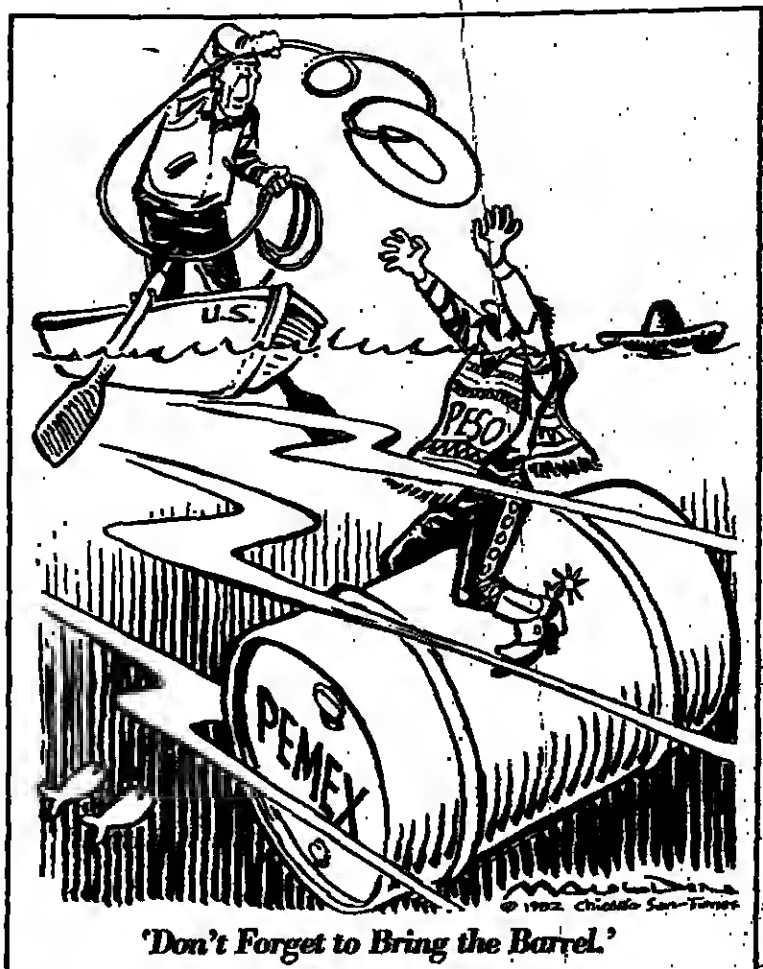
Discussing these issues is necessary, but the discussions are so scary and negative that it is a genuine relief to find politicians like Mr. Brown and Mr. Wilson who see positive possibilities in the growing closeness between Mexico and the United States.

Governor Brown, with his penchant for innovative ideas, was one of the first U.S. politicians to talk about a common market for the United States, Mexico and Canada, an economic system that would link all three countries in a mutually beneficial relationship. The governor has often talked of the continued growth and development of Mexico not as a threat but as an opportunity for the United States in general and California in particular.

For his part, Mr. Wilson has dealt constructively during his 11 years as mayor of San Diego with the problems posed by the rapid growth of neighboring Tijuana, now the second largest city on the North American Pacific Coast with 1.2 million people.

While many smaller twin cities along the 2,000-mile-long U.S.-Mexican frontier have had difficulty dealing with cross-border crime, pollution and other urban problems, San Diego and Tijuana have been models of co-operation.

And, while some in the United States would like to see the border all but sealed off, one of Mr. Wilson's proudest achievements was the com-



pletion of a 16-mile trolley line that links central San Diego with the U.S. border crossing near central Tijuana.

This is not to say that Mr. Brown and Mr. Wilson are in total agreement on U.S.-Mexican relations. That would make for a pretty dull campaign debate.

Mr. Wilson, for example, seems most comfortable with the prosperous and conservative Mexican businessmen who in the last decade have transformed Tijuana from the archetype of a border town into a thriving, substantial metropolis.

Mr. Brown, on the other hand, shook up some of these same businessmen, and their counterparts on the U.S. side of the border, when he appointed Tom Hayden, the activist

reformer, to a key border commission in 1979. Mr. Hayden resigned a year later.

So there are indications that the two candidates have different approaches to dealing with Mexico. They should be induced to discuss them in more detail during this campaign.

Whoever finally wins the election, there should be at least one more voice in the Senate that talks of Mexico not as the slumbering volcano next door but as a country whose continued development offers both California and the United States opportunities.

Frank del Olmo is a Los Angeles Times editorial writer.

Massacre: No Excuses for the Unforgivable

By Meg Greenfield

WASHINGTON — In the middle of last week a lot of people, asked for their reaction to the carnage in West Beirut, said that, disturbing as it was, they still did not have enough facts to render a judgment.

I thought this was an evasion. By then we knew as much as we needed to in order to reach a judgment about the implications for Israel of this monstrous event and the imperatives that flowed from it.

The burdensome truth — that certain actions were now required — seemed to be understood by great numbers of Israelis before it was even grudgingly conceded by some in the United States who describe themselves as "defenders of Israel." But more on them in a moment.

Israelis understood at once, I think, that this was something they could not live with or leave unattended. To do so would be an act of self-destruction. That is why I am certain they will respond.

What is it that we knew almost at once? We knew that the government of Israel, along with representatives of the United States and other countries and various parties to the Lebanese conflict, having negotiated the departure of the PLO forces from Beirut, had in some degree undertaken, if not to protect at the very least not to harm the civilians and dependents left behind.

All the Fuss

We also knew that after the murder of Bashir Gemayel, Israeli forces moved into West Beirut on the claim that they were needed there to maintain order, that far from maintaining order, which would surely have implied keeping the bereaved and raging Christian militias and the Palestinians apart, they used their authority to usher the massacre makers into the refugee camps and stood by while the murders took place.

This is what we know. Some people have responded to it by pointing out with great irritation that you would never judge from all the fuss being made that it was actually Lebanese gunmen, not Israeli soldiers, who did the slaughtering.

But to say that is to imply that this one fact negates or renders irrelevant

the other, which is not true. It is also to suggest that somehow the Israeli involvement does not bear the full, damnable questions of moral responsibility. Israelis know otherwise. That is why they are protesting.

While no one is seeking to justify what happened in those camps in West Beirut, some, especially in this country, do seek to account for it in ways that shade over into extenuation.

President Reagan himself has evoked one of these theories when he employed the reigning and misleading cliché about the "quagmire" into which Israel was supposed to be about "to sink more deeply" in its pursuit of its objectives in Lebanon.

No Excuse

The quagmire idea — a shapeless, treacherous, dark and deceptive maelstrom, where those who enter lose control of their fate, being drawn almost involuntarily into actions they neither intend nor understand nor even can bring to a halt — is in no way an accurate metaphor for what happened. It is, in addition, inimical to its implications to the whole Israeli spirit.

At each step of the way, General Ariel Sharon and Prime Minister Menachem Begin knew what they were doing. They acted out of choice. They were not "drawn" into some half-lit swamp by an enemy confounding and outwitting them into ever greater and more disastrous engagement. They would never be allowed to be.

Israel's very survival is a tribute to its insistence on conducting its business in precisely the opposite manner. Wakefulness, self-reliance, accountability, the exertion of will, these are its worshipped secular values. An often even belittled assumption of responsibility for its own destiny and actions, sometimes seen by others as arrogance, is in fact an integral part of its post-Holocaust credo.

This is one reason the Israelis will press on to determine who was responsible for facilitating the massacre and hold these people accountable for their actions, inevitably, I think, kicking them out. Israelis will be unable, as individuals and as a so-

ciety, to rest or to consider themselves whole or right until they do. They have no use of even toleration for quagmire theories of history and human behavior. They know where these lead.

A second explanation — extenuation points to the terrible acts of violence and wanton cruelty — the other massacres — that preceded and, in certain undeniable respects, called forth this one. Palestinians have committed hideous crimes of terrorism against Israelis and Lebanese Christians and also against each other in recent memory.

Hatred and revenge have their roots in countless atrocities forgotten now by us, perhaps, if we ever even noted them, but understandably kept keen and vivid in the minds of their surviving victims.

It still will not do, for this latest round of victims were evidently randomly chosen and gunned down for a single indisputable offense, that they were Palestinians. They were murdered solely on that account.

The tableau of corpses and shriek-

ing survivors and bulldozers handily brought in to do the body removal. This is something that produces volcanic emotions in Jews, as well it should. It is something that must be faced up to, repeated, excoriated.

In some sense, the PLO terrorists' real revenge on the Israelis may be measured as much by whatever success they have in corrupting Israeli sensibilities and emotions as in ruthlessly killing Israeli citizens and friends. To harden those feelings so that Palestinians as such are regarded by Israelis as suitable objects of vengeance would be to assault Israel's central idea: the moral claim it makes to nationhood and survival and to the concern and consideration of civilized peoples.

Israel, in other words, cannot merely look the other way and let the moment pass, except at the cost of transforming itself and its own identity. A people so notoriously mindful of threats to their survival will recognize this situation as one. It is not the sophists and alibi makers in the United States but rather the agonized, demanding protesters in Tel Aviv who are the true "defenders of Israel."

Newsweek.

LETTERS TO THE EDITOR

Shame

Regarding "40 Years Later" (HT, Aug. 3): No, Susan Cohen of Cannes, you need not disavow your name in shame. There are millions of Cohens — and Levis and Isaacs — who have witnessed the Holocaust, and whose faith is in Zionism but never imperialism, who when they say "Never Again" mean never again for any of the peoples of the world, and who believe in the law of Hitler — "What ever is hateful to you, do not do to your fellow man" — and that all the rest is commentary.

MORTON FUNER
St. Tropez, France.

Junkets

Articles criticizing the travels abroad of U.S. congressmen, such as those visiting Lebanon, point to a

greater problem. The uninformed U.S. electorate is represented by an often times uninformed congressmen whose prime concern "should be" domestic issues. Through interest in U.S. foreign policy and a desire to know more about what is going on in a world (in which their votes count to affect policy), I see nothing wrong with their being seen and informed.

U.S. citizens abroad should seek the same kind of seriousness from congressmen, and too few are even aware of the problems, let alone solutions.

Perhaps U.S. citizens in the United States could be informed of international issues through congressmen elected from the disenfranchised U.S. citizens living abroad. Both congress and its citizens would benefit.

SANFORD G. HENRY
London.

Two rounds of border talks with China are an indication of Indian efforts to seek rapprochement with Beijing. Mrs. Gandhi's recent visit to the United States is another straw in the wind. The point about the latter was that while the Indian prime minister almost immediately accepted President Reagan's invitation, she agreed to visit Moscow only after an invitation from Leonid Brezhnev, often pressed, had been pending for more than two years.

India entered into a 20-year friendship treaty with Russia in 1971 to secure its strategic and diplomatic flanks in the war with Pakistan over what was to become Bangladesh. The treaty served its purpose but left India's nonaligned image tarnished. New Delhi would now rather forget the treaty even as the Russians tend to emphasize it.

The nonaligned summit conference would refurbish India's image in the movement and mark a further step in Mrs. Gandhi's resolve to take the country away from a lopsided relationship with the Soviet Union. No one expects Indian-Soviet relations to wither away. New Delhi's ties with Moscow are too close and important in the military and economic spheres for that to happen overnight. But the trend toward a more equitable relationship with the superpowers can gather momentum.

The writer, former editor of the Statesman of Calcutta and the Indian Express, is a Senior Associate at Carnegie Endowment for International Peace in New York.

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INSIGHTS

Photographers Find a Pulitzer Brings Doubts, Guilt, Remorse

By Liz Nakahara

Washington Post Service

WASHINGTON — Taking the picture was easy.

Vietnamese police escorted a scruffy captive down a Saigon street; an Associated Press photographer, Eddie Adams, tagged along. Vietnam's national police chief raised his pistol to the captive's head; Mr. Adams raised his camera. The chief pulled the trigger; Mr. Adams snapped his shutter. As the police chief lowered his pistol and Mr. Adams released the shutter button, the bound man collapsed with a bullet hole in his head.

"Any idiot who was there could have taken that picture," Mr. Adams would say later.

Accepting the awards was harder. Mr. Adams' picture of a quick back-street execution won awards in almost every photojournalism contest in 1969, including the Pulitzer Prize, which he had considered returning. "I was getting money for showing one man killing another," Mr. Adams said after the Pulitzer award. "Two lives were destroyed, and I was getting paid for it. I was a hero."

Photographers love to win Pulitzer Prizes but some, including four recent winners, hate to think about why they won. They know a great picture can be a quirk of fate or a stroke of genius — the product of a professional who worked tirelessly or the accident of an amateur who fell on his shutter. "It's one five-hundredth of a second," Mr. Adams said.

It's a microsecond that can attain a life of its own, a whisper in time that sounds like the shouts in an echo chamber. By the slightest twist of chance and timing, that moment can change — and sometimes torment — the life of its creator.

Mr. Adams could not look at his prize-winning picture for two years. He publicly defended the chief and personally apologized for altering his life. Mr. Adams thinks about the picture constantly, he said, and still searches for a soul-cleansing successor, the photograph that will bring him as much gratification as the execution picture brought remorse.

Dallas Kinney, a 1970 winner as staff photographer at The Palm Beach Post in Florida, said his photos of migrant farm workers merely appeared an era bent on liberal chic. He tried to run away, he said, because he felt he had used a running people's misery to win a larger-than-life award. "Terrified" because the Pulitzer wasn't "happiness and light," Mr. Kinney "put on a facade," trying to sound authoritative. "Doubts and guilt," he said, "just about destroyed me."

A 1975 Pulitzer winner for his photograph of firefighters, Jerry Gay, for years sacrificed his personal life to cultivate his "psychic ability to create images" and repeatedly win national photo contests. When he won the "ultimate granddaddy" for his picture published in The Seattle Times, he felt confused.

"The Pulitzer had to be more than just a big award," he said. "It had to do more than feed my ego." He searched for answers, at one point consulting with a psychiatrist and at another living in seclusion.

The 1971 Pulitzer Prize winner, John Filo, snapped his shutter as a woman screamed beside a dead Kent State student. Emotions caught up with Mr. Filo later as he realized that he had fearlessly survived a fusillade of bullets, inadvertently traumatized the young woman's life and had prematurely entered big-time photojournalism while fellow students lay dead. He still asks himself, "Why?"

These four photographers recently talked about the problems that ensued after winning the Pulitzer Prize. The annual prize in photography and other categories, which carry \$1,000 and a citation, are regarded as the most prestigious in American journalism.

'I'm Not Hardened'

Edward Thomas Adams thought the South Vietnamese police chief, Nguyen Ngoc Loan, was only threatening the disheveled Viet Cong suspect whose hands were tied behind his back. When the gun went off, Mr. Adams "accepted it," he said. "I'm not hardened or cold-blooded, but you expect people to die."

Mr. Adams did not know what his film had captured as he deposited it at AP's Saigon office. But 24 hours later, "messages were coming in from all over the world," Mr. Adams recalled. "It started turning people against the war. They were saying it was a civil war and Americans shouldn't be there."

To some newspaper readers the Saigon chief was a murderous monster, and to newspaper editors he was a hot follow-up story.

Against the advice of colleagues, Mr. Adams went to Mr. Loan's office. Mr. Loan, in his own style, accepted what Mr. Adams had done.

"He got up from his desk," said Mr. Adams, "put his nose right next to mine, looked me directly in the eye and said, 'I know the Vietnamese who took the picture.' Mr. Adams added, "Loan told me his wife gave him hell for not taking the film."

Afterward, Mr. Adams followed the chief for two weeks and found that some "people loved the guy."

Mr. Adams' guilt about Mr. Loan has never waned. "I feel responsible because I took the picture," Mr. Adams said. "But if it happened tomorrow, I'd probably photograph it again. I'm saying that's what I get paid for; that's what I do. But I hate to see people suffer for something I've done."

Sometimes the guilt hurts. When Mr. Adams arrived in the Netherlands for the 1969 World Press Photo awards, a Dutch reporter asked, "Why didn't you stop him from shooting that man?"

Mr. Adams bristled. "I thought that was the stupidest question I'd ever gotten," he said. "There's a war going on, and you don't stop people from shooting people." But he added, "That's when I started feeling all mixed up."

Mr. Adams, who has covered 10 wars, said,



Eddie Adams



John Filo

"I'm identified with that picture, nothing else. I feel pressured to find another picture I'd rather be remembered for. I'd like it to be a non-news picture that requires a lot of thought, has impact, makes you laugh or cry, or does something to you emotionally."

Because he has won the Pulitzer, Mr. Adams, 49, feels pressured to live up to other people's expectations. He now freelances for Time Inc. and Parade magazine, and he still searches for a redeeming photograph. He almost found one in 1977.

That year, Mr. Adams joined 48 refugees on a 30-foot (9-meter) boat that sailed to Thailand, where Thai marines shoved the boat back out to sea. "We presented the pictures and story to Congress," he said, "and it [helped] convince President Carter to admit the boat people to America."

Mr. Adams added, "I'd rather have won the Pulitzer for something like that. It did some good, and nobody got hurt."

Dallas Kinney, staff photographer at The Palm Beach Post, "kidnapped" his two bosses one day and drove them 40 miles (64 kilometers) to a migrant camp. The editors gaped at the poverty of migrant families living in tiny shacks of tattered walls, sheet metal roofs and broken windows. And they told Mr. Kinney to do the story.

"I can't approach a story without becoming personally involved," said Mr. Kinney. "The greatest weapon against me is my camera; it's an intrusion. The moment I step into an environment, I destroy the objective situation. To eliminate the barriers, the subject and I become partners."

When the 1970 Pulitzer Prize winners were announced, Mr. Kinney got a champagne shower in the newsroom. Within minutes, he began to feel the pressure.

"It was the responsibility of living up to something that big," said Mr. Kinney. "I've usually been more surprised by the response [to my successes] than anyone."

When Mr. Kinney awoke the next morning, he cringed at The Post's front page. On one side was Mr. Kinney's favorite picture of the migrants — three ragged children beside a dilapidated shack. On the other side was a picture of Mr. Kinney being doused with champagne. "Those children didn't have enough milk for the next day!" Mr. Kinney exclaimed. "Dear Lord, what are those people, who opened their doors and hearts to me, going to think?"

The Pulitzer, Mr. Kinney said, "was a frustration I wasn't mature enough to handle. I ran from it. I left The Palm Beach Post shortly afterward. I took off to bind up my soul and look for that story to wash away my sins."

On sabbatical, Mr. Kinney traveled with his family in a motor home and produced a series on the American Indian that he called unsuccessful. He spent an unfulfilling year at The Philadelphia Inquirer, returned to The Palm Beach Post for four years, later directed a 24-hour telephone crisis line, and went to the Christian Broadcast Network. Now he is a communications consultant for Mailers and Consultants, a marketing firm in Richmond, Virginia, and no longer shoots pictures on a daily basis.

Recently, Mr. Kinney, 45, readapted his migrant series, adding film and narration. "For the first time," he said, "I saw the migrant series the way I wanted to see it."

When Gerald Gay went on a routine assignment — the aftermath of a house fire — he found a "surrealistic atmosphere" of smoke and fog hanging over the smoldering skeleton of a waterfront home.

The firemen had run hoses up and down a steep bank, Mr. Gay said. "Suddenly they took a break and created in front of me this scene — it looked like a war scene rather than a fire."

Mr. Gay's photo of resting firemen ran on the front page of The Seattle Times and then was moved by the news agencies.

"The psychic energy inside me told me to enter it in the Pulitzer contest," said Mr. Gay. "We were approaching the Bicentennial, and I'd read that people were asking publishers to stop running such negative things. I thought the jurors might look for a picture that talks about the American spirit."

The Pulitzer "was a catalyst," said Mr. Gay. "It put me in the fast lane of my profession. My speaking engagements quadrupled. I suddenly came out from behind the camera and was put in front of them."

Mr. Gay, then 28, had worked obsessively behind the camera, putting in 60 hours a week. "Before assignments, I'd meditate," said Mr. Gay, who kept scanners in his car, radios at home and ran out to fires at 3 A.M. "I'd generate a thought process about what the readers would see, how the subjects would like to be seen."

After winning the Pulitzer, Mr. Gay, a former seminarian, became disenchanted with work. "It was hard to go on assignments," he said, "because you knew they weren't Pulitzer material. It was hard to get up for the monthly clip contests again. A certain edge was taken off my career in photography. And I was learning about burnout."

About two years ago, Mr. Gay's life took a turn that is difficult even for him to explain. At a sparsely attended press conference in Seattle, he announced he was the son of God. He was trying to tell people, he said, that they "have the same potential in their life of attaining those powers that were attributed to the Christ spirit of 2,000 years ago."

Mr. Gay, now traveling in the West and working independently, believes in the power of the mind. He said, he would like to operate a center "for thought processes on how we in the media can help influence a positive world with the stories we're doing."

A Line of Guardians

John Paul Filo, a Kent State journalism major, aimed his camera at a line of National Guardsmen and focused on a rifle-bearing figure looking directly at him.

"When his gun went off, his bullet hit this huge metal sculpture, penetrating the quarter-inch plate steel, then ripping the bark off a tree," said Mr. Filo, then a fourth-year student who was working 40 hours a week. "I said, 'My God, they're using live ammunition.'"

When the fusillade stopped, Mr. Filo saw people lying on the grass. He had assumed the guardsmen were firing blanks, but 6 feet 3½ inches tall, he was the only student still standing. "There were people wounded next to me," said Mr. Filo. "Jeffrey Miller, behind me and to my left, was shot in the neck and bleeding profusely."

As he photographed Jeffrey Miller's lifeless body, Mr. Filo saw a woman run up and kneel



Eddie Adams's 1969 Pulitzer Prize-winning photo of the execution in South Vietnam of a suspected Viet Cong rebel.



John Filo's 1971 Pulitzer Prize-winning photograph of a slain student on the campus of Kent State University in Ohio.

beside it. "She was looking down," he said. "You could see her starting to shake and sob. I was moving closer, making a semicircle to get her head-on rather than in profile."

Throughout the afternoon of May 4, 1970, Mr. Filo photographed the melee. Afraid that Ohio guardsmen might try to seize his film, Mr. Filo drove to Pennsylvania to develop it and print the photographs. After the picture was transmitted by news agencies, Mr. Filo was inundated with interview requests. Later, he would receive hate mail accusing him of lying and fabricating the photo.

"The hardest thing to accept out of the whole thing," Mr. Filo said, "was that some people won't believe you even if you show them a hundred pictures. It's ignorance where ignorance is yelling back at you."

In the ensuing days, Mr. Filo found himself "preoccupied with survivor's syndrome." He explained, "I couldn't sleep nights. For several years I was pondering, 'Why me? Why was I not wounded or killed? I became very moody and a little morose.'"

Mr. Filo was standing near the journalism department's AP wire when he learned that he had won the Pulitzer Prize. "I was ecstatic inside, but I didn't show it," he said, "because

the whole school was still embroiled in the tragedy."

Winning the Pulitzer "puts you in a higher-speed lifestyle," said Mr. Filo. Shortly after he graduated from college in 1971, his marriage of three years ended.

Mr. Filo sometimes balked at recounting the Kent State story to friends because "it was a very emotional, wrenching experience." But he willingly testified when parents of the slain students sued guardsmen and state officials for damages. His appearance at the trial intensified his guilt feelings about "coming out of the same situation so differently than the murdered students," particularly his friend Bill Schroeder.

"I go to the trial, and I'm the one who ends up on the noon and 6 P.M. news. The parents are looking at me, and I'm wondering what they're thinking. God, what do you say to Schroeder's parents? They lost a son, and I came out of it quasi-famous."

Mr. Filo's guilt feelings did not end with the trial. The visibility and vulnerability his picture had forced on Mary Ann Vecchio, the distraught young woman in the picture, also troubled him. "I indirectly keep track of what she's doing" through wire stories and colleagues, Mr. Filo said. "At one point, she said in an

interview that my photograph ruined her life. That's pretty heavy. I mean, it's terrible."

According to a story on a news wire in December 1976, Miss Vecchio was reviled by anonymous letter writers, and in 1973, she was arrested for prostitution.

Mr. Filo, who worried for a while about the possible consequences of every picture he took, said that he would like some day to talk with Miss Vecchio. "I'd just like to hear what she'd say about how her life has been affected by that picture," he said.

But in a way, her plight does not matter, said Mr. Filo, now 34 and a Philadelphia Inquirer photographer. "Given the same circumstances, I'd still take the picture," he said. "It's just something that eats at your mind during slow times or rainy days."

For Mr. Filo, coping with those rainy day thoughts is an internal thing. "It all gets resolved within yourself," he said. "You have to deal with it yourself. That's the biggest enemy. Actually, friends really don't know. They really don't know other than Eddie, who went through it."

When Mr. Filo won his Pulitzer, Mr. Adams sent him a congratulatory note. The last line of the message read: "Let's see what you can do tomorrow."

Pipeline Dispute With U.S. Produces a French Political Consensus

By Jim Hoagland

Washington Post Service

WASHINGTON — President Ronald Reagan's decision to impose economic sanctions on European companies participating in the construction of the Soviet natural gas pipeline is having far-reaching effects on the Atlantic alliance and on international trade law.

But any serious effort to reach a compromise in the increasingly bitter dispute is likely to hinge now on French domestic politics, where Mr. Reagan has left the Socialist government of François Mitterrand almost no room to maneuver.

French officials have made it abundantly clear in recent days that they will not participate in any moves to reach a compromise now, arguing that the Reagan administration created the problem and must find a way out of it. Mr. Mitterrand would clearly prefer no compromise at all to a compromise that could be used against his government by its domestic rivals.

Mr. Reagan's decision — which some State Department officials insist was triggered in part by his anger over a Washington Post interview in which Mr. Mitterrand said the French would not participate in an economic war against the Soviet Union — has created a new political situation in France.

"That decision is the only thing that has brought the big four political parties of France into consensus since Mitterrand came to power," said one French official.

Other analysts in Washington note that it may unwittingly also provide the faltering Socialist government with its biggest boost in the important local municipal elections scheduled for March, where Mr. Mitterrand can now appear holding the banner of nationalist resistance to Yankee heavy-handedness.

Gaullist Rhetoric

The pipeline dispute is stoking the already glowing fires of protectionism within the Socialist Party, and it has led to a resurgence of anti-American Gaullist rhetoric, which Mr. Mitterrand had worked hard to diminish in his first year in office.

Moreover, the Communist Party, nominally allied with the Socialists in power, is citing the ban as proof of the dangers of American commercial imperialism.

Finally, the contract for pipeline work was signed not by Mr. Mitterrand but by his predecessor, Valéry Giscard d'Estaing, meaning that even the center-right Giscardists would assail Mr. Mitterrand if he were to go back on the contract as Mr. Reagan would like him to do.

The message that France is prepared to sit out the winter, waiting for a U.S. reversal, was brought to Washington recently in a polite but clear form by Jean-Pierre Chevènement, Mr. Mitterrand's minister for industry, research and development, who is considered the fastest rising star on the French domestic scene.

"This can and must be resolved," Mr.

Chevènement said, "for French and American relations are much broader and more important than what you are calling the pipeline controversy. For us, there is no controversy over the pipeline. For us, it is a matter of fundamental principles, of the questions of sovereignty, of extraterritoriality, of free trade. We are very attached to these principles, and to nonretroactivity. And the British and our other partners share these feelings."

That sentiment was echoed by Michel Rocard, the French planning minister, and the leading spokesman in the Socialist cabinet for cooperation with free enterprise. "We are sitting quietly, waiting," Mr. Rocard said last week in Washington. And the same theme was hit hard by Claude Cheysson, the external relations minister, in an article written for the opinion page of the Los Angeles Times.

Mr. Chevènement, who met with senior administration officials in Washington, went on to spell out the serious consequences that would occur if the dispute is not resolved.

"If the sanctions are not removed, you will find European industries very reluctant in the future when it comes to the purchase of American technology and licenses," he asserted, acknowledging that France had decided this summer to begin developing its own national turbine industry "in the context of the sanctions, which certainly had some effect on this matter."

It was the supply of American-designed but French-manufactured turbines to the Soviet Union that triggered the imposition of

sanctions. The French decision to go after an independent turbine industry has already contributed to the cancellation by the state-owned RATP, the Paris transport authority, of a contract for the purchase of turbines from the Detroit Diesel Allison Division of the General Motors Corp. for \$4.3 million.

The contract has been awarded to Hispano-Suiza, a nationalized French firm that will charge about 6 percent more for the job.

It was inevitable that a major role in the pipeline controversy would fall to Mr. Chevènement. He is in charge of the highly ambitious French effort to spend tens of billions of dollars over the next five years on research and development to make French electronics, biotechnology, computers and other fields of modern technology major export industries. In June he was also given control of the national industrial sector.

Political Currents

But the 43-year-old politician also brings together, as perhaps no other figure can, the important political currents that the pipeline dispute has stirred up again in France. His current position puts him at the head of the majority section of the Socialist Party that argues that American trade and financial policies are a major cause of the Socialist's economic woes and the rapidly deteriorating external trade balance.

While the Socialists were in opposition, Mr. Chevènement headed the party's most radically Marxist wing and fought strenuously for an ideological alliance with the French

Communist Party. Since coming to power, he has moved rapidly toward the center of the spectrum, supporting the efforts to replace sharply inflationary spending with an austerity budget (except in the case of his own ministry).

He is widely mentioned as a possible successor to Prime Minister Pierre Mauroy if Mr. Mitterrand makes a change soon.

National Grandeur

But the one constant throughout his political permutations has been a strong attachment to the ideas of national grandeur and independence patented by de Gaulle. And the pipeline dispute has brought Gaullism back to life in France with a vengeance, as indicated by the clear parallels between the current dispute and the bitter battles of the 1960s, as drawn by Mr. Chevènement in an interview.

"This is the first time since the question of NATO was raised by de Gaulle that the question of sovereignty and territoriality has become an issue between France and the United States," he said. "We thought it had been settled, and that raising it again could only cause damage to a relationship that we value."

"One of reasons that France developed its own nuclear technology," he confirmed, "was that the United States refused to provide France with some military computers. It was said that American law prevented the transfer of certain scientific knowledge on atomic matters. So we did it ourselves, with a lot of investment and work on our part. We



Jean-Pierre Chevènement

never wanted on principle to go it alone, particularly since the United States is so strong in technological development. If cooperation is possible, we prefer it. "If it is not, well... We would hope the United States would understand that it needs solid, strong allies, and particularly a solid, strong France in Europe as it is today. No alliance could survive as a collection of client countries. None."

مركز المظهر

ARTS/LEISURE

Author Criticized for 'Translations'

By Edwin McDowell

NEW YORK — A literary dispute has broken out between Simon Karlinsky, professor of Slavic languages and literatures at the University of California at Berkeley, and D.M. Thomas, the author of the best-selling novel "The White Hotel." Karlinsky contends that Thomas, rather than having translated a collection of poems by Alexander Pushkin from the original Russian, adapted much of the book from two earlier volumes of Pushkin translations into English. Thomas replies that "the charge is gross travesty."

The Karlinsky charge is contained in The New York Times Book Review in a review of "The Bronze Horseman: Selected Poems of Alexander Pushkin," for which Thomas is identified as translator. The book, published by the Viking Press, consists of 38 poems, 15 verse plays, 7 narrative poems, and "The Bronze Horseman," Pushkin's signature poem. In addition, it contains a 27-page introduction in which Thomas says that the 19th-century Russian author "stands with Dante and Shakespeare."

"Suspicious Similarities" Walter Arndt, professor of Russian at Dartmouth College, and the author of one of the two volumes of Pushkin translations, says as a source for Thomas, sided with the critics in the review. There are "a suspicious number of similarities between Thomas's version and mine," said Arndt, adding that his reading of the Thomas volume convinced him that Thomas had "misappropriated the labor of the translator."

Thomas acknowledges having been "much influenced" by the "lucid prose" versions of John Fennell, whose authoritative anthology "Pushkin" contains Russian texts with plain prose translations of each poem. And he said in a telephone conversation from his home in Hereford, England, that he is "familiar" with Arndt's "Pushkin Threefold." But, I don't think that any influence extends to the point where it should be acknowledged very specifically.

Karlinsky writes that "influence" is "a very slippery term" to describe the relationship between Fennell and Arndt. "His reliance on the work of these two scholars (barely hinted at in the case of Fennell) misappropriated in that

of Arndt," writes Karlinsky, "is so blatant that in all fairness Thomas ought to have at least named them as his co-translator." The reviewer asserts that the dependence is so strong that "we see Thomas repeat even Arndt's few misreadings; the magical transformation of the young prince into a buzzing mosquito (*komar*) misread as 'a gnat'; the mosquito's sting causing the prince's glances must to lose sight in one eye (a point missed by both translators); and the tutor (*dyadko*) who accompanies the 33 ocean-dwelling heroes (both translators misread his function, confusing it with 'dyadya,' and therefore made him these soldiers' uncle)."

Karlinsky's review juxtaposes the end of the first part of "The Bronze Horseman" in the Thomas and Fennell version. The Thomas version reads:

And he, as though bewitched, as if To the marble, cannot get down! Around him Is water and nothing else! And, his back turned To him, in unshakable eminence, over The angry river, the turbulent Neva stands, with outstretched arm, on his bronze horse.

Fennell's version runs:

And he, as though bewitched, as though riveted to the marble, cannot get down! Around him is water and nothing else! And with back turned to him, on unshakable eminence, over the turbulent Neva, stands the image with outstretched arm on his bronze horse.

Fennell could not be reached but Arndt said that, among other things, he was struck by Thomas's spelling of *Al-Kerman*, a Turkish fortress named in the poem "The Gypsies." "I'm the only translator who ever hyphenated the word," he said. "I was born in Turkey, and it struck me that it should more properly be spelled that way, since 'al' is a prefix meaning white," Fennell added. "He certainly shows by these giveaways that he attentively read my work and never acknowledged its existence."

The review contends that "numerous passages of Thomas's translation of 'To the Sea' and 'The Bronze Horseman' are based on the Fennell version, 'either quoted verbatim or rearranged,

but still recognizable," while the lyric "Lines Written at Night During Insomnia," although printed as verse, "is repeated in its entirety and almost word for word" from Fennell's prose version. Karlinsky adds that up to 60 percent of the text of Thomas's versions of the poems "Young Mare" and "Echo" are "simply taken from Walter Arndt and the rest is adapted from him."

Range of Techniques Thomas, who learned Russian in a British army language school and who is the translator of two volumes of Anna Akhmatova's poetry, said that his book uses a range of techniques from poems that are translated as literally as possible, and that in some cases it takes liberties with the literal text.

"It is therefore obvious that in the poems where I aimed for literalness there are going to be passages which could compare closely with the literal prose version, and it does with Fennell in part," he said. "This is only a small portion of my book. Here I can simply ask the reader to read for himself Fennell's prose version of the whole poem, then read my translation, and say whether he thinks there is very little difference."

In a subsequent telephone conversation, Thomas said, "If the reviewer had produced evidence that there were close similarities with an existing verse translation, there would be a case to answer. All the reviewer has 'discovered' is that in some versions I have kept closely to the literal meaning, as I wished to do, trying to make poetry out of it in English. He ignores this last aspect, which of course is the whole essence."

John Bayley, professor of English literature at St. Catherine's College, Oxford, and author of the comparative study "Pushkin," is quoted on the book jacket as being "deeply impressed" by Thomas's translation. "I'm sure Thomas is very indebted to Fennell and Arndt," he said in a telephone conversation, "and Karlinsky is quite right to point this out. Thomas should have acknowledged his debt to Arndt. But at the same time, I think Thomas as a poet gave it something of his own, something of the simplicity of Pushkin, low-keyed and not trying for panache."

Karlinsky, who collaborated on a translation of the letters of Anton Chekhov, was reluctant to go



D.M. Thomas

beyond what he said in his review, except to say: "I don't know Thomas. I don't have any opinions about him. I simply compared his version with the others and wrote what I found."

Earlier Dispute This is the second time in six months that Thomas has found himself in the center of a literary dispute. In March, The Times Literary Supplement, the British weekly, carried a letter asserting that many of Thomas's passages and accounts in "The White Hotel" "are taken more or less verbatim" from "Babi Yar," a 1966 documentary novel by the late Anatoly Kurbanov, a defector from the Soviet Union. At that time, Thomas responded by saying that he had "time and again" expressed his indebtedness to Kurbanov, in interviews and in the published acknowledgments in "The White Hotel."

In the case of translators, Arndt said, "it is not impossible for a translator to fudge a little without intentionally adapting something, and a translator may even quite innocently use similar adjectival combinations." But he added that the rules governing translations are similar to those with regard to any kind of scholarship: "If one relies on other versions, he must at least mention them so readers can look them up and make up their minds whether the translator is original in his approach and professional in his performance."

Dow Jones Averages

	Sept 28	Sept 27	Sept 26	Sept 25	Sept 24
30 Ind	2928.75	2925.75	2925.75	2925.75	2925.75
Indus	1162.75	1162.75	1162.75	1162.75	1162.75
Transp	1162.75	1162.75	1162.75	1162.75	1162.75
Utilities	1162.75	1162.75	1162.75	1162.75	1162.75
Finance	1162.75	1162.75	1162.75	1162.75	1162.75

Market Summary, Sept. 28

NYSE		AMEX		NASDAQ	
Index	Change	Index	Change	Index	Change
NYSE	+1.25	AMEX	+0.75	NASDAQ	+0.50

NYSE Index

Index	Change
NYSE	+1.25

Standard & Poor's Index

Index	Change
S&P 500	+0.75

AMX Stock Index

Index	Change
AMX	+0.75

NYSE Most Actives

Symbol	Price	Change
IBM	125.00	+0.25

Odd-Lot Trading in N.Y.

Symbol	Price	Change
IBM	125.00	+0.25

Dow Jones Bond Averages

Bond	Price	Change
10yr	101.25	+0.125

NYSE Most Actives

Symbol	Price	Change
IBM	125.00	+0.25

Tuesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

Table with multiple columns for stock prices, including symbols, prices, and changes. Includes sections for 12 Month High/Low, YTD, and P/E ratios.

Toto: A Band Riding the Commercial Wave

By Michael Zwerin

PARIS — Toto is one of those Los Angeles rock bands that sounds as if it is always searching for that perfect endless wave. A roll neither too rocky nor laid-back, something to glide along without a hassle, like gliding along a freeway.

Nothing new about the formula (nothing to get into at either). It started with the Beach Boys and came on through Fleetwood Mac, the Eagles and Supertramp, and it has become a dependable product line based on attention to technical and musical perfection combined with vacuous content and careful market analysis.

Toto's principal composer, musical director and keyboardist, David Paich, is the son of jazz pianist and composer Marty Paich, and grew up with the Beach Boys. Coast calls like Shady Man, Jimmy Rowles, Oscar Peterson and Louis Bellmon. He was basking on a drum kit before the age of 3, when he started classical piano lessons.



Toto's David Paich: Following his instinct.

He wrote "probably the worst song in history, maybe even worse than that," when he was 11. But at 15, in 1969, his song "Houston," became a big hit for Glen Campbell. At the time Paich was going to

high school in the San Fernando Valley in California and playing with a rock band. They were into Hendrix, the Stones, James Brown and Sly type stuff. The band's personnel has remained basically the same since.

Out of high school, the band's members got calls for recording sessions with people like Steely Dan, Pink Floyd, Earth, Wind and Fire, and Elton John. But they worked more as a unit because, as Paich explains it: "We sounded like an organized band rather than a bunch of individual session guys. Some singers couldn't afford to keep a steady band but they wanted their records to feel like it was. That was our ace in the hole."

They looked for a collective name. Their music can be described by the name they were looking for. It had to be simple, work in many languages, including computer language, maybe an acronym; in any case something that would require neither spelling nor explanation. They stumbled on the name of the dog in "The Wizard of Oz," and Toto stuck.

Their first album sold 2 million copies in 1978. But the numbers game in the record business is such that their second album was described as selling "only" 500,000 (still, a gold record). The third album sold less. It looked like the apocalypse, which is the word some recording industry executives use to describe their current state of affairs, had struck Toto.

David Paich looks like a friendly, friendly bear, and speaks like someone who knows when and how not to hibernates. "Roseanna," the hit single from "Toto IV," came out almost by itself. I just heard that time and played it without really thinking. I don't have to try and be commercial because my instinct always leads me there."

Paich hung out with the pianist Eric Watson when Toto played Paris last week, and he was pulling strings for an invitation to Pierre Boulez's experimental music installation, IRCAM. There is some lively intellectual curiosity there and perhaps a trace of embarrassment about the endless-wave music.

Which brings us back to the apocalypse. In the late '70s a No. 1 record meant at least platinum, several million sold. Now it can be as little as gold. The current charts represent a much lower volume of business. It is said that kids spend what was formerly their record album budget on computer games. Home taping is also blamed. Whatever the reasons, business is really off.

Paich looks at the bright side: "When I first started in the record business, a gold record was something special. Then we got spoiled, the numbers went haywire. When the Bee Gees sold 22 million albums, just plain gold wasn't looking so hot. Groups were kicked off labels for selling only gold. But getting some of the money out of the business has changed a lot of people who weren't really seriously into music. I think it's healthy. Good music will always keep going. I plan to be here for a long time."

Toto: Copenhagen, Sept. 29; Oslo, Sept. 30; Stockholm, Oct. 1; London, Oct. 4.

Peter Hall's Earnest 'Importance'

By Sheridan Morley

LONDON — That the National Theatre should only now, some 20 years into its existence, be coming to terms with "The Importance of Being Earnest" is, I suppose, some sort of backhanded tribute to the late Edith Evans, who made Lady Bracknell so securely her own for almost half a century that few other leading actresses seemed willing to take up the challenge, though I do recall Irene Handl tackling the role at Greenwich in a heavy German accent so as to avoid all possible comparison.

Sir Peter Hall has had an even better idea, which is to entice Judi Dench away from the Royal Shakespeare Company (presumably with the promise of the

"Importance" far too lightly. Hall has begun to correct that balance with the first postwar production that even attempts to look behind the jokes. On a steeply raked, shingly tiled setting by John Bury, this "Importance" is done like a very upmarket "Barry's Aunt," extremely fast and with considerable elegance. Characters are given an offstage existence, too; Judi Dench is encouraged to make of the unseen Lord Bracknell an all too realistic and less than ideal husband, one whose crashing boredom explains her evident infatuation with Algy. Similarly, Zoe Wanamaker's Gwendolen has a sharp anger that suggests the beginning of a new woman, one unlikely to get far into the 20th century without becoming a suffragette.

What Hall has done is therefore to resign the play and rethink its relationship; he has hauled it out of the pretty-pretty, stylized picture frame into which Gielgud and Beaton had it locked for most of this century, and it is perhaps ungrateful to wish he had hauled it even further toward the darker reality that underlies the most famous of all comedies of appealing manners. It is an admirably unadorned and straight-faced production, and an audience which goes to the National to mutter Wilde's best jokes in unison with the cast, or to hold its breath while Judi Dench circumlocutes the handbag speech, will stay to see the play at least partially rediscovered.

In Berkshire at The Mill at Sonning (where I have ritually declared that my life is on the staff), John Alderton has found himself the best role of his career as a failed actor who ends up in a hospital trying to live the part he has so often tried to portray. What he has not found himself, alas, is much of a play to go around it; Stig Oestlin Ericson's "Haven't We Met Before?" is an extraordinarily random and rambling Swedish comedy, essentially a one-man show into which other characters and some semblance of a plot are occasionally buried.

But what matters here is the central figure: an obsessive, lonely, manic egotist who decides to volunteer as a hospital auxiliary for no other reason than that he once played a doctor, not one, gathers, very well, in a television soap opera. Finding himself on New Year's Eve in charge of a terminally ill old lady, he launches into a first-act monologue about his life and other disasters, which Alderton makes into a farcical 40-minute comic turn. His patient, and we are the captive audience he has clearly always dreamed of, and we are treated to his increasingly convoluted notions on prison reform ("A cat in the cell keeps the prisoner well") and life in general.

What there is of the play, however, falls apart fairly rapidly after the intermission, not much helped by a translation which seems to have got itself marooned somewhere off Iceland; done on television at about half the length by Mr. Alderton solo, I think, this strange casebook might prove a considerable success.

(Continued on Page 8)

Tables include the nationwide prices up to the closing on Wall Street.

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12 Month													12 Month													12 Month												
High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
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494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22	1614	144	144	144	144	144									
494	274	Amoco		4.4	23.10	287	177	274	254	274	274	84	3	PlumRac		14	12	244	134	Tesco		22	22															

CHIEF OF POLICE

[illegible]

Nov				60.80	+15
Dec	61.25	61.85	60.70	61.50	+20

1965-01-15	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-15	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-15	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-15	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-16	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-16	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-16	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-16	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-16	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-17	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-17	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-17	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-17	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-17	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-18	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-18	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-18	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-18	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-18	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-19	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-19	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-19	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-19	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-19	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-20	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-20	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-20	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-20	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-20	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-21	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-21	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-21	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-21	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-21	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-22	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-22	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-22	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-22	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-22	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-23	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-23	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-23	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-23	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-23	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-24	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-24	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-24	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-24	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-24	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-25	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-25	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-25	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-25	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-25	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-26	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-26	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-26	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-26	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-26	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-27	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-27	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-27	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-27	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-27	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-28	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-28	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-28	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-28	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-28	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-29	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-29	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-29	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-29	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-29	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-30	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-30	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-30	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-30	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-30	2000	10N 175E	10K	24.0	1-2	Cloudy
1965-01-31	0400	10N 175E	10K	24.0	1-2	Cloudy
1965-01-31	0800	10N 175E	10K	24.0	1-2	Cloudy
1965-01-31	1200	10N 175E	10K	24.0	1-2	Cloudy
1965-01-31	1600	10N 175E	10K	24.0	1-2	Cloudy
1965-01-31	2000	10N 175E	10K	24.0	1-2	Cloudy

Figures in French francs per metric ton.

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	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Case 1 Files	Sept. 28	
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Company	Per.	Ampt	Pay.	Rec.
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مركز العمل

مذكرات من السفر

Herald Tribune BUSINESS / FINANCE

WEDNESDAY, SEPTEMBER 29, 1982

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BUSINESS BRIEFS

OKI, National Semi to Cooperate

TOKYO — OKI Electric Industry of Japan has reached a preliminary agreement with National Semiconductor of Santa Clara, California, to cooperate in the development and production of metal oxide semiconductor memory chips, known as MOS chips, the Japanese company said Tuesday.

OKI, a major telecommunications and electronics manufacturer, said the pact will involve an exchange of high technology, joint technical development and joint production of the advanced chips. Further details are to be worked out in talks between the companies beginning next month.

The agreement follows similar Japanese-U.S. agreements reached recently between Hitachi and Hewlett-Packard, and Toshiba and Zilog. Two months ago, National Semiconductor eliminated about 1,000 jobs in the United States, saying it expected semiconductor sales to remain flat for several months.

Texas Instruments to Lay Off 2,600

DALLAS — Texas Instruments, one of the world's largest makers of semiconductors, will lay off another 2,600 workers this fall, bringing to nearly 10,000 the number of employees furloughed in the last two years.

The company said Monday that the layoffs would be spread among many of the electronics concern's 50 plants around the world. A spokesman said the furlough, which will extend into the fourth quarter, will require an additional reserve of about \$7 million to \$8 million against third-quarter earnings.

In the first half of this year, its profits rose 44 percent to \$64.5 million on revenue of \$2.17 billion. But the company noted that those earnings were matched against depressed results a year earlier.

Fed Approves Citicorp Bid for S&L

WASHINGTON — The Federal Reserve Board said Tuesday that it had approved Citicorp's bid to acquire Fidelity Savings & Loan of San Francisco. It was the first time that the Fed had approved a cross-state takeover of a savings and loan by a bank holding company.

Fidelity was declared insolvent in April and placed in receivership. Citicorp's bid for the thrift was approved last month by the Federal Home Loan Bank Board. The Fed attached conditions requiring that Fidelity "be operated independently and not utilized to further or enhance the activities of Citicorp's other subsidiaries."

The acquisition was strongly opposed by the savings and loan industry nationwide and by banks and thrifts in California. The Fed's decision sets a precedent, as U.S. commercial banks have not been allowed to operate formally in more than one state. The Fed banned any link in deposit-taking activities of Citicorp subsidiaries and Fidelity.

Ajinomoto Plans Share Issue in EDRs

TOKYO — Ajinomoto, a food-additive producer, said Tuesday it plans to issue 10 million new shares in the form of European Depositary Receipts, mainly in Europe, with a payment date of Dec. 21.

It said the issue price will be set at Ajinomoto's closing price on the Tokyo stock market Dec. 3, plus a 0.95 premium. The company's capital will be raised to 18.87 billion yen (\$70.3 million) from the present 18.37 billion; it added. Managers will be Nomura International, Nikko Securities (Europe) and Morgan Stanley International.

In a separate announcement, Nippon Chemi-Con said it will issue 30 million Swiss francs in convertible Eurobonds on Nov. 1. The company, which makes aluminum electrolytic capacitors, said the bonds would mature March 31, 1988. Signing for the bonds, to be priced at par, will be Oct. 14. The bonds will be placed by Swiss Bank and Nikko Finance (Switzerland).

NKK Sees Problem on Rouge Steel

DETROIT — Problems over price and a union contract could delay a decision on the sale of Ford Motor's Rouge Steel subsidiary in Dearborn, Michigan, according to a high-ranking official of Nippon Koken, Ford announced in July that it was negotiating to sell a major share of its steel operations to NKK and a consortium of Japanese financing firms.

"Many factors still have to be worked out, such as the purchasing price and the contents of the labor agreements Rouge has had with the UAW," Haruki Kunita, NKK senior managing director, said this week in an interview in Tokyo.

Allis-Chalmers Seeks to End Fiat Deal

CHICAGO — An Allis-Chalmers spokesman has confirmed reports that the company filed suit in a court here in July asking that its construction machinery joint venture with Fiat be dissolved and that the court appoint a receiver to oversee the distribution of assets to the two partners.

The spokesman also confirmed Monday that Allis's equity interest in the venture has been seriously jeopardized by the venture's losses, which have totaled more than \$183 million since the beginning of 1977.

The assets of both Fiat-Allis in Deerfield, Illinois, and Fiat-Allis of the Netherlands would be involved in any court-ordered distribution. A spokeswoman for Fiat, which has an 85-percent interest in the venture, said the company had no immediate comment.

Compiled from Agency Dispatches

Talks Do Little To Cheer Market In Hong Kong

HONG KONG — The one clear reaction to the Chinese-British talks over Hong Kong's future has been in the colony's financial markets. Since discussions between Chinese leaders and Prime Minister Margaret Thatcher of Britain ended last Friday, share prices on the Hong Kong stock market have fallen by more than 9 percent. In addition, the Hong Kong dollar dropped to its lowest level against the U.S. dollar since the local currency was allowed to float in late 1974.

"There has been nothing in the talks to give any comfort to Hong Kong investors," said Lawrence Chiu, a director of Jardine Fleming, an investment firm. "The reaction in the markets is what you would expect."

On Monday, stock prices, as measured by the Hang Seng index, fell 83.74 points, the second largest single-day decline this year. Tuesday, the index retreated another 23.96 points to close at 983.66. The trading volume was extremely heavy both days, nearly twice the average daily volume last week.

Currency Shows Weakness
The U.S. dollar closed Monday at 6.20 Hong Kong dollars, up from 6.11 on Saturday. After opening lower Tuesday morning, the local currency closed Tuesday at the Monday level, largely due to Hong Kong-dollar purchases by the government, dealers say.

As a referendum on the British-Chinese talks, the weakness of the local currency is viewed as less significant than the stock market drop because at present the U.S. dollar is unusually strong against all major currencies.

Stock market analysts cited three reasons for the big declines in share prices. First, the British-Chinese joint statement on Hong Kong, released Friday, was less specific than many investors had hoped, giving only a general assurance that both sides wanted to maintain the "stability and prosperity" of Hong Kong.

Second, the differences of opinion between the two sides appear to be greater than many in Hong Kong had anticipated. Britain has made it clear that it considers the 19th-century treaties, which established its rule in Hong Kong, to be still valid. "Britain keeps her treaties," Mrs. Thatcher emphasized on Monday, though she added that they could be modified.

For its part, Peking has stressed that it must regain sovereignty over all of Hong Kong. Britain controls Hong Kong thanks to a 99-year lease, covering 90 percent of the colony's land, which expires in 1997.

Regan Plays Down Prime Rate's Role

By Robert A. Bennett
New York Times Service

NEW YORK — Secretary of the Treasury Donald T. Regan has started a campaign to discredit the prime rate as the benchmark of the United States' interest rate structure.

It appears that most economists, including many who bitterly disagree with Mr. Regan on broad policy issues, go along with his contention that the prime is a misleading indicator of the general level of interest rates.

"The prime rate has many shortcomings," said Victor Zarnovitz, professor of economics and finance at the University of Chicago Business School. "There are various rates that indicate different things, and the prime is only one of them," he said.

Mr. Regan, the distortion is more than an academic problem. He contends that by focusing on the prime — which is higher than many other interest rates — the public believes that interest rates are higher than they actually are. This, rather than the actual cost of credit, is discouraging people from borrowing, Mr. Regan contends.

"We need to get people to start borrowing money," Mr. Regan said in a recent telephone interview.

Increased borrowing would produce a faster economic recovery. People would use the credit for a wide variety of purposes, such as to buy new homes, build plants and improve wardrobes. This would create jobs and increase the incomes of carpenters, plumbers and tailors, who would go out and spend more money and further stimulate the economy.

The prime rate at most banks stands at 13 1/2 percent, though Tuesday a few banks cut their rate to 13. Still, that is far above a number of other

(Continued on Page 11, Col. 2)

Dollar Firms Amid Bonn Uncertainty

FRANKFURT — The dollar rose sharply against other leading currencies Tuesday as the uncertainty surrounding the German election continued to unsettle foreign exchange markets.

The Deutsche mark was at its lowest level in 13 months, while the French franc slumped to another record low and sterling closed in London at its weakest point in more than five years.

Earlier, the dollar jumped to a five-year high against the yen in Tokyo as traders rushed to buy the U.S. currency. The move into the dollar came despite an easing in U.S. interest rates and Monday's announcement of a record U.S. trade deficit in August.

However, West German stock markets Tuesday recouped part of Monday's record losses following Monday night's coalition agreement between the country's three center-right opposition parties.

Prices rose by as much as 7 DM (\$3) a share at the start of trading, partly wiping out the decreases of Monday, when the Commerzbank index registered its biggest decline ever after Sunday's surprise result in the Hesse state election.

But analysts doubt about whether the liberals and conservatives, who did badly in Hesse, will succeed in overthrowing the government of Chancellor Helmut Schmidt limited the market's recovery and the Commerzbank index gained only 12.7 points Tuesday to close at 697.6 after falling 25.2 points Monday.

Uncertainty about the outcome of the confidence vote scheduled Friday also depressed the market. It was priced at the official Frankfurt fixing session at 2,540.8 to the dollar, compared with 2,532 Monday.

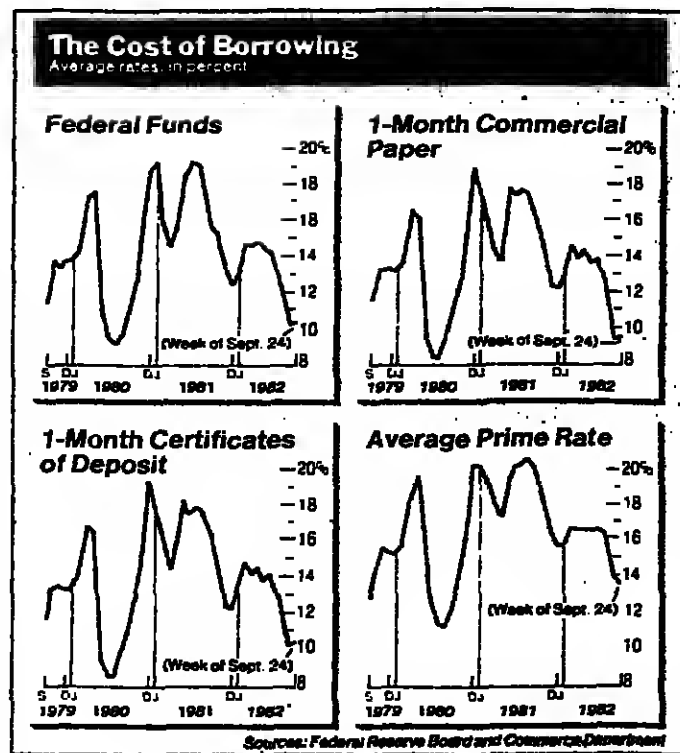
The dollar was fixed at a record 7.184 francs in Paris, compared with 7.148 Monday, while sterling slipped to a close at 1.6915 dollars against 1.6975 Monday.

The Bank of Tokyo spent an estimated \$100 million in support of the yen, but could not prevent it slipping to 269.5 to the dollar, its lowest level since June 1977.

Meanwhile, the political uncertainties helped in steady the gold price after it fell \$15.5 an ounce Monday. The market closed in London at \$412 compared with \$414.50 previously.

In New York, the dollar fell from earlier highs following news of a cut in the prime rate, dealers said. They said an easing in the federal funds rate, the fee banks charge on overnight loans to each other, and in Eurodollar deposit rates also contributed to the dollar's decline.

The dollar fell to 2,527 DM from an opening high of 2,543 and a close Monday of 2,531. It fell to 166.50 yen from 167.50.



Sources: Federal Reserve Board and Commercial Information Service

The New York Times

Bankers Trust Cuts Prime Rate to 13%; NYSE Ends Mixed

Compiled by Our Staff From Dispatches
NEW YORK — Bankers Trust Co., the 10th largest U.S. bank, cut its prime lending rate by one-half percentage point to 13 percent Tuesday, bringing the prime to its lowest level in two years.

The rate cut set off a modest rally on the New York Stock Exchange, but prices turned mixed later in the day as investors pulled out of the market to await President Ronald Reagan's news conference.

The feeling is that the direction of short-term rates is lower and, with business still bad, the Federal Reserve is unlikely to tighten monetary policy," said Michael Metz of Oppenheimer & Co.

The Dow Jones industrial average closed off 1.57, at 919.33. It had been up as much as 5 1/2 points immediately after the Bankers Trust announcement. But advances still noted out declines by about 730 to 720 and volume rose to some 66 million shares from 44.8 million Monday. Analysts noted that the stock market traditionally falls ahead of a presidential press conference.

August Round
Bankers Trust gave no reason for its action. Banks generally adjust their prime rate in line with changes in their cost of acquiring funds for lending. The only other institution following the cut was Mitsui Bank in Los Angeles.

Most banks have been quoting a 13 1/2 percent prime rate since Aug. 20 when Chase Manhattan Bank led an industry-wide reduction from 14 percent.

The prime rate had dropped rapidly in July and August from 16 1/2 percent to 13 1/2 percent. Most interest rates this month have been stable, although some economists were expecting continued declines through the end of the year.

Stock market analysts said the optimism over interest rates was counterbalanced, however, by the gloomy outlook for the economy, which is expected to remain weak at least until the fourth quarter.

Technology, transportation and blue chip stocks were among the poorest performers. Blue chips were also among the most active stocks, including International

Bankers Trust Cuts Prime Rate to 13%; NYSE Ends Mixed

Business Machines, off 1/2 to 76 1/2. Woolworth 7 1/2 to 24. American Telephone & Telegraph 1/4 to 57 1/4 and Eastman Kodak 1/4 to 84 1/4.

Among technology stocks, Digital Equipment fell 2 1/2 to 83 1/4, Hewlett-Packard 1/4 to 53 1/4 and Honeywell one to 81 1/4.

M/A-COM was the volume leader and rose 1/2 to 16 1/2 on turnover of some 1.28 million shares. A block of 1,154,800 shares traded at 16 1/2.

Hillenbrand Industries fell 1 1/4 to 28 1/4 after reporting lower third quarter earnings.

Quaker Oats rose 1/4 to 40 1/4. Citicorp closed at 27 1/4, up 1/4. The Federal Reserve announced after the market's close that it had approved the bank's proposal to buy Fidelity Savings & Loan of San Francisco. Martin Marietta, which plunged 8 1/2 points Monday, closed at 34 1/4, unchanged.

Value Line Index Off
The Value Line stock index fell 0.08 to 133.98, and stock index futures contracts ranged from off 1.40 to off 1.95.

The Standard & Poor's 500 index rose 0.38 to 123.24 and futures contracts ranged from off 1.60 to off 1.70.

The NYSE composite index fell 0.18 to 70.70 and futures contracts ranged from off 0.60 to off 0.95.

On the American Stock Exchange, Wang Labs Class B fell 1/4 to 37 1/4 in heavy trading on news that the company plans to offer two million shares of Class B stock.

The Amex index was off 0.49 to 288.70, while the average price per share fell two cents. Declines led advances by 280 to 287.

Singapore Deficit Widens

SINGAPORE — Singapore's trade deficit widened in August to 1.51 billion Singapore dollars (\$689.9 million) from 1.18 billion in July and 1.21 billion in August 1981, the Statistics Department said. The cumulative deficit for the first eight months of this year is 10.5 billion Singapore dollars, compared with 9.66 billion in the comparable 1981 period.

Massey, Lenders Agree on Debt Rescheduling

United Press International
TORONTO — Massey-Ferguson announced agreement in principle Tuesday with its major creditors to reschedule payments on its \$1.27-billion debt. The company said the agreement will save it \$600 million over several years.

The firm's implement manufacturer said the agreement involves changes to its loan payments schedule and interest rates, conversion of some loans into equity and issuance of "substantial amounts" of preferred and common shares.

In other moves to save money, Massey-Ferguson said it will halt tractor production at its Detroit plant next year, switch production of four-wheel-drive tractors from Detroit to Bramford, Ontario, and delay reopening its farm machinery plants in Toronto and Bramford until the end of the year.

Massey reported a loss of \$186.2 million for the nine months that ended July 31, 1982. In a determined effort to improve its cash flow, Massey's directors met for three days last week with its major lenders to restructure its debt. Countries represented at the meetings were Canada, the United States, Britain, West Germany, France, Italy and Switzerland.

The company said that it was seeking formal approval of the plan by all 200 lending institutions involved, and that it hopes to put the restructuring program into effect by Nov. 30.

"Leaders representing a substantial proportion of the company's debt will make interest or principal concessions averaging over 40 percent of their outstanding loans of \$900 million," Massey-Ferguson said.

It said some of the smaller lenders will convert their loans into equity of Massey-Ferguson and the company will grant security on company assets to support its larger debts.

"The program involves the issuance of substantial amounts of additional preferred and common shares and warrants," Massey said.

While the company did not disclose specific details of any new share offer, a banking source had said earlier that Massey would have about 30 percent of its debt forgiven in exchange for new equity.

In July 1981, Massey arranged a refinancing package of 715 million Canadian dollars (\$536 million) with its lenders. The Ontario government guaranteed a preferred share issue of 125 million Canadian dollars while the federal government's contribution was 75 million.

The two governments became Massey shareholders last May when the company failed to make dividend payments — a condition of the refinancing pact.

Massey said that, while it has no plans to sell shares in its Perkins diesel engine subsidiary in Britain, it will be making several more changes to its North American operations.

The company said it will halt tractor production at its Detroit plant in early 1983 and supply the North American market from its high-volume plants in Britain, France and Italy. Moving production of four-wheel-drive tractors from Detroit to Bramford will save \$20 million a year, Massey said. It said it was seeking third-party business for the plant.

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Pan Am Sees No 3d-Quarter Gain; Eastern Allowed to Borrow More

Compiled by Our Staff From Dispatches
NEW YORK — Pan American World Airways will not show a profit this quarter, despite repeated predictions to the contrary by Chairman C. Edward Acker, a spokesman for the airline said Tuesday.

In Miami, meanwhile, Eastern Airlines, which lost \$54.4 million in the first half of the year, said its lenders had relaxed financial controls allowing it to continue to draw down funds from a \$400-million multibank loan. The relaxation will allow Eastern to proceed with a \$426-million order for 12 new 757 jetliners from Boeing.

At Pan Am, Jeffrey Kriendler, vice president for corporate affairs, said: "It is apparent that the hoped-for profit in the third quarter will not materialize." Traffic is down from projections, he said, reflecting "the trend in the poor industry conditions." But he said the airline was showing improvement.

Mr. Kriendler also said it was not Pan Am but the news media that had portrayed the third quarter as pivotal for the airline, which lost \$56.2 million in the second three months of the year for a six-month loss of \$183.5 million.

Mr. Acker was in Belgium and unavailable for comment. Pan Am recently announced a series of route cutbacks and a reduction of 5,000 of its 30,000 workers in order to concentrate on its more profitable routes.

Mr. Kriendler said Pan Am has seen a considerable loss of revenue from currency exchange, particularly from Mexico and Argentina currency devaluations. He also said unforecasted repairs that the airline might have to file for bankruptcy had hurt its traffic and results.

Mr. Kriendler said Pan Am was showing earnings improvement quarter to quarter. In last year's third quarter, it lost \$80.2 million. The airline will announce its third-quarter earnings in mid-October.

Eastern's announcement that it will proceed with its planned purchase of the Boeing planes followed an inquiry about reports that Eastern might have to cancel all or part of the order because of conditions in earlier loan agreements. A spokesman said, referring to agreements with its lenders: "We have the waivers needed through the end of the year."

In a Securities and Exchange Commission filing last week, the company said it "may be unable to comply with certain financial tests" in its loan agreements, and added that it might default on a 1980 loan for \$400 million with a bank group led by Chase Manhattan unless the group agreed to relax certain financial tests. Eastern has borrowed \$100 million of the \$400 million and wants to borrow \$125 million more by the end of the year.

The SEC filing was for a previously announced \$94-million Series C equipment certificate issue.

CURRENCY RATES

Interbank exchange rates for Sept. 28, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	S.F.	S.C.
American dollar	1.0000	0.7460	1.9360	6.5595	20.4800	2.4835	2.0048	2.0048	2.0048
British pound	1.3408	1.0000	2.6033	8.7564	27.7564	3.3589	2.6725	2.6725	2.6725
West German mark	0.5181	0.3757	1.0000	3.3603	10.3603	1.2500	1.0000	1.0000	1.0000
French franc	0.1516	0.1103	0.2937	1.0000	3.3603	0.4167	1.0000	1.0000	1.0000
Swiss franc	0.4375	0.3215	0.8483	0.2937	1.0000	1.2500	1.0000	1.0000	1.0000
Spanish peseta	166.6667	121.2121	312.5000	1036.0360	3125.0000	37.0370	100.0000	100.0000	100.0000
Portuguese escudo	200.4818	146.9131	376.0343	1188.0902	3675.0000	44.4444	100.0000	100.0000	100.0000
Italian lira	333.3333	246.9136	615.0000	1944.4444	5925.9259	70.3704	100.0000	100.0000	100.0000
Japanese yen	360.7303	265.3509	655.9259	2097.6025	6292.8571	75.9259	100.0000	100.0000	100.0000
South African rand	1.4667	1.0909	2.7027	8.7564	27.7564	3.3589	2.6725	2.6725	2.6725
Canadian dollar	0.7143	0.5238	1.2857	4.2857	12.8571	1.5385	1.0000	1.0000	1.0000
U.S. dollar	1.0000	0.7460	1.9360	6.5595	20.4800	2.4835	2.0048	2.0048	2.0048

Source: Reuters

(*) Commercial rates. (†) Amounts needed to buy one pound. (‡) Units of 100. (§) Units of 1,000.

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Opel Expects Gain Again Next Year

The Associated Press

PARIS — Adam Opel AG, the major West European subsidiary of General Motors, will make a profit again next year, its managing director, Ferdinand Beickler, predicted Tuesday at a news conference on the eve of the Paris Auto Show.

One factor is expected to be the new Corsa minicar, which will have its world premiere at the show. Opel plans to make 200,000 Corsas next year in various engine and body sizes at its new plants in Vienna and Saragossa, Spain. It is coming at "about 8 percent of the European small car market, which is estimated to reach 2.6 million" sales next year, Mr. Beickler said.

He said Opel's economists expected annual European new car sales to increase from the current 10 million to 11.5 million by 1983 and 13 million by 1990. He said he expected Opel's overall European market share to increase from 8.2 percent to 9.7 percent this year, without considering the Corsas, and to pass 11 percent in 1985-86.

GM said it expects to sell about 1.15 million vehicles in Europe next year — 942,000 from Opel, 210,000 from its Vauxhall subsidiary in Britain and 4,000 in imports from the United States.

Opel claims that the Corsas are aerodynamically very efficient and thus economic. Mr. Beickler said it "is the key to the southern European market, where Opel is not well represented," notably Spain, Italy and France, where minicars represent 35 percent of the market.

He said the Corsa is also important to Opel in Britain because of the large fleet-sale component of the market there, and as a lead-up to sales of larger cars. British unions, however, oppose imports of the Corsas from Spain, which imposes a tariff of 30 percent on British cars; the British tariff on cars from Spain is about 4 percent.

Mr. Beickler said Opel hoped to be able to settle that problem "amicably." Of the British unions, he said: "We very much regret this attitude, which we consider not very suitable" in GM's case. "We represent and are very strongly in favor of free trading, and this should apply" to the Corsas and GM's European "3-car" due to be introduced next spring.

Martin-Marietta Chief Says Sale of Some Assets Likely

By Mark Potts

WASHINGTON — The president of Martin Marietta says the company will probably sell some operations to help reduce the \$900-million debt it incurred fighting the takeover advances of Bendix.

But Thomas G. Pownall said Monday that it was "certainly possible" that Marietta also might make an acquisition using the large amount of its stock returned to Marietta as part of the settlement of the merger battle. He said he would not be more specific.

In a news conference at Marietta's headquarters in Bethesda, Maryland, Mr. Pownall said, "We will have to find some mechanism, in all probability, to divest ourselves, perhaps, of some of our assets."

There is little question in my mind but that we will entertain some opportunity to do that," he said. "We would not be specific about what operations might be sold."

Martin Marietta is primarily an aerospace contractor, but it also has interests in aluminum, chemicals, cement, sand and gravel. Analysts have speculated that those divisions might be put on the block.

The Bendix-Marietta fight ended last week with Allied taking over Bendix for \$85 a share and Marietta regaining its independence. Bendix had owned a 70-percent stake in Marietta, and Marietta had bought more than half of Bendix in the battle, which Bendix started.

Under the settlement, Martin Marietta traded its Bendix holdings for Allied for part of Bendix's stock. That left Allied with 39 percent of Marietta. Marietta is left with \$900 million in debt incurred by the Bendix stock, and it has fewer shares outstanding now. Analysts say it could be years before Marietta repairs the damage to its balance sheet.

Mr. Pownall said the settlement was an alternative better than some others. But he said the merger battle was a trying experience. "We did not enter the fight for the opportunity to spend \$900 million to remain independent. We obviously are less well off than we were 33 days ago."

"We do have a somewhat less attractive balance sheet and a great deal of increased debt," Mr. Pownall conceded. But he added: "We do believe we can manage that debt and bring it down to the point where it is very livable."

Martin Marietta could reduce the debt in several ways, including raising the stock that was returned to it or selling assets. It might also trade the stock for an interest in another company, which could improve its balance sheet.

Analysts say the company's financial problems will keep its stock price low for several months, but Mr. Pownall said the sharply depressed price "is a temporary circumstance, and in some years to come it will become a very improved stock."

He gave his company's view of the takeover battle in some detail, and while he said, "We never were angry with anyone," he stopped himself several times in mid-sentence to tone down remarks about Bendix Chairman William M. Agee.

He also reiterated the company's position that Bendix management was ill-suited to run Marietta.

11 Banking Firms Buy \$135 Million in Exxon 11% Notes

Reuters

NEW YORK — Exxon said Tuesday that the \$135 million of 11-percent, five-year notes sold by its Exxon Finance subsidiary, which is based in the Netherlands Antilles, were bought by 11 investment banking firms. The proceeds are to be used for company operations in the United States.

It listed the buyers as: Salomon Brothers, \$85 million; Swiss Bank Corporation, \$15.5 million; Schroder Wagg, \$10 million; Union Bank of Switzerland, \$6 million; Bache Halsey Stuart Shields, \$5 million; Morgan Guaranty, \$5 million; Morgan Stanley, \$3.5 million; Lehman Brothers Kuhn Loeb, \$2 million; Merrill Lynch, \$1 million; Yamaichi International, \$1 million; and Orion Royal Bank, \$1 million.

The sale was the first part of a planned offering of \$300 million of the 11-percent notes to be made this year. Exxon plans to offer the remaining \$165 million of the notes beginning next Wednesday through negotiated sales to investors and dealers.

Allen Hamilton, treasurer and vice president of Exxon, said the success of the auction and the prevailing level of interest rates are expected to lead to prompt distribution of the remaining notes.

The oil company had filed in May with the Securities and Exchange Commission to issue as much as \$500 million in debt securities this year, under a new rule that allows companies to float such securities directly.

to's aerospace business. "This is a very sophisticated, dedicated, hard-to-understand-from-the-outside sort of business, and I don't believe they could manage it. I don't think they have the foggiest notion — no, I take that back. They probably do have a foggy notion, but I don't think they have a sense to run a business like this well."

Mr. Pownall confirmed Mr. Agee's disclosure that Marietta had turned down a last-minute offer from Bendix to purchase for \$85 a share the Marietta shares Bendix had not bought under its \$48-a-share offer. He said that the offer was in securities, rather than cash, and that the \$55 price was questionable based on the valuation of the securities.

But the real problem, he said, was that Marietta's board felt that, once it had made its offer to buy

Bendix stock, it had an obligation to Bendix shareholders to go through with the offer, even though Mr. Agee had offered to indemnify the Marietta board against any resulting lawsuits.

Mr. Pownall said the company is satisfied with its pact with Allied, under which Allied agreed not to exploit its holding in Marietta for the next 10 years and to vote the huge block of stock as directed by the Marietta board.

He would not rule out a possible merger with Allied in the future, if Marietta's financial situation became untenable, but he said Marietta had no desire now to merge with Allied.

In a related development, the last loose end in the battle was tied up when United Technologies said it would drop the offer for Bendix that it made earlier this month at the request of Marietta.

30 Penn Square Cases Are Studied

By Jeff Gerth

New York Times Service

WASHINGTON — Federal bank regulators investigating the collapse last July of the Penn Square Bank of Oklahoma City have already referred 30 cases to the Justice Department for possible criminal prosecution, with more referrals expected, according to confidential documents obtained by a congressional subcommittee.

The documents show that the 30 cases involve dozens of individuals, transactions totaling more than \$70 million and a wide range of potential violations, including kickbacks, misapplication of bank funds, conspiracy, bank fraud, concealment, wire fraud, falsified books and records, and interstate transportation of stolen property.

The documents do not show the names of individuals involved in the various cases, but sources familiar with the inquiry say that many of the cases involve bank officers or directors as well as some large borrowers from the bank.

These documents are the first indication that there may have been criminal violations involving the bank for a year and a half preceding its collapse. Examiners sent by the comptroller of the currency uncovered civil banking violations during a 1980 examination, according to disclosures made in congressional hearings following the bank's collapse.

A key issue in the Penn Square case has been the adequacy of supervision by the comptroller of the currency, which has primary responsibility for examining national banks. These documents, according to congressional sources, suggest that examiners from the comptroller's office were not aware of the possible criminal violations until their examination of the bank last spring, just before its failure.

The Penn Square investigation is being handled by a federal grand jury in Oklahoma City under the direction of the U.S. attorney there, with the assistance of the Federal Bureau of Investigation,

Barclay Brand Keeps Low Tar Rating, for Now

Reuters

LOUISVILLE, Kentucky — A U.S. judge has reimposed a restraining order barring the Federal Trade Commission from stripping the Barclay cigarette brand of its one-milligram tar rating. Barclay is produced by Brown & Williamson Tobacco, a subsidiary of B.A.T. Industries of Britain.

In June, the FTC said its tar testing machine was not equipped to compensate for the Barclay filter system, which competing tobacco producer R.J. Reynolds has claimed is intended as a way to get around FTC tests.

U.S. District Judge Thomas Ballantine dismissed a claim by Brown & Williamson that Barclay is a one-milligram-tar cigarette. But he concluded that the FTC challenge to Barclay was not a final agency action.

Northrop Breathes Easier About F-5G

Bahrain Deal, Backing From Pentagon Brighten Prospects for New Jet

By Richard Halloran

WASHINGTON — Executives of Northrop like to point out that the aircraft maker has designed its F-5G Tigerhawk fighter, built prototypes and flown them without financial help from the U.S. government.

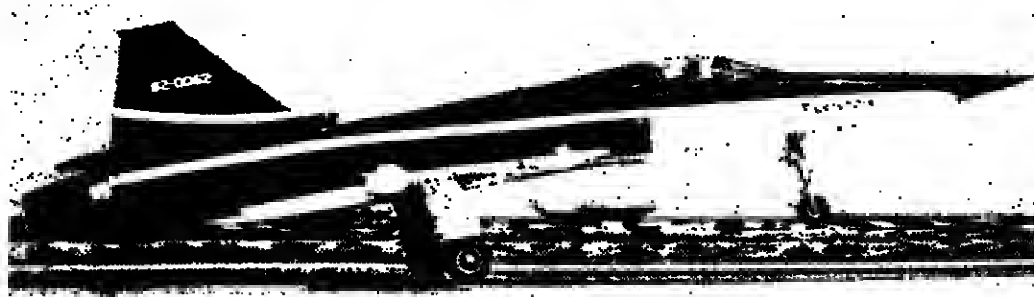
That, they say, has been atypical for a military contractor in a day when the Defense Department underwrites much of the development of new weapons and builds out contractors that run over their projected costs.

But paying for the development of the Tigerhawk has also caused Northrop some anxiety, particularly since expected orders had not materialized. The company, which had planned to begin a production run next year, decided in June to put that off.

Now, however, the company has made its first tentative sale of the light-weight fighter, which it designed for the export market and which has cost it \$360.8 million so far.

The Defense Department has announced that Bahrain has ordered four Tigerhawks at about \$9 million each. The order also includes two Northrop F-5F two-seater fighter-trainers, 60 Sidewinder air-to-air missiles, spares and supporting equipment, for a total of \$180 million.

Northrop officials, while clearly pleased with the prospective sale of the F-5G to Bahrain, cautioned that the order was contingent on sales to other nations because the making of only four aircraft would



Northrop's F-5G Tigerhawk fighter taking off on its maiden flight in August.

not justify starting a production line.

Company officials said that deliveries to Bahrain would be made 24 to 30 months after a contract was signed. They declined to disclose how many planes would have to be ordered before a firm decision would be made to go ahead.

The development of the Tigerhawk has strained Northrop's financial resources. During the first half of this year, the company registered a \$23.9-million loss, largely because it has been writing off the F-5G development costs as they were incurred. Sales were \$1.1 billion.

A big setback was the Reagan administration's decision to deny Taiwan permission to buy F-5Gs or other advanced fighters. Taiwan had been considered a prime target for several years. The administration did say that production of F-5Es on Taiwan would be allowed to continue.

But Northrop has recently had the backing of the deputy secretary of defense, Frank C. Carlucci, who said in a memorandum to the U.S. Air Force and Navy that "we must selectively but actively encourage" foreign sales of the F-5G and General Dynamics' F-16/79, a less powerful version of the F-16.

The Tigerhawk, the latest in Northrop's 20-year-old series of F-5s, has flown 1,044 times the speed of sound in recent flight tests and was designed to fly at twice the speed of sound. Company officials said the plane's engine and electronics were significantly better,

more reliable and easier to maintain than those of its predecessor, the F-5E, which began flying 10 years ago. The 1,000th F-5E is scheduled for delivery to Mexico next month.

For the Reagan administration, which has been trying to foster new connections with nations around the Gulf, the prospective sale to Bahrain may be a small step forward strategically.

When Defense Secretary Caspar W. Weinberger visited the region last February, he said that the administration hoped to foster "basic, coordinated security assistance" to nations there, specifically to the six members of the newly formed Gulf Cooperation Council.

Members of the council — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — have planned to assemble a force that would help defend the region and to purchase weapons that would be the same for most members.

The desire for common weapons has encouraged Northrop officials to believe that other sales of the Tigerhawk are likely. Industry officials said that Oman was a likely customer, as was Saudi Arabia, which has the F-5E.

A meeting of defense ministers of the Gulf council has been scheduled for next month and top leaders are to meet in November. New decisions on arms purchases may be made then.

Elsewhere, Jordan has become a prime candidate for a sizable sale, according to U.S. and industry of-

ficials. The administration plans to offer to sell the Tigerhawk to Jordan when a delegation of Jordanian officials visits Washington in November.

King Hussein, who has become a critical player in President Ronald Reagan's initiative to find a settlement in the Middle East, has made known that he prefers the larger, more powerful F-16. But Israel can be counted on to argue vigorously against any approval by Washington of such a sale, so a compromise may be sought.

Mr. Carlucci, in his memorandum, mentioned Turkey and Egypt as other potential markets in the Middle East. In Asia, he said, Malaysia, Indonesia, Thailand and the Philippines were possible markets.

He also said that "as our post-Falklands policy is clarified, we shall want to promote the FX selectively in our own hemisphere." FX is a label covering the F-5G and F-16/79 for export.

Japan Production Index Fell 0.2% for August

Reuters

TOKYO — Japan's preliminary industrial production index fell 0.2 percent in August, the Ministry of International Trade and Industry said Tuesday.

This was the first time in three months that the index fell from the preceding month. The revised July index was up 0.6 percent from June, the ministry said.

Regan Seeks to Lessen Power of Prime Rate

(Continued from Page 9)

rates, such as those on intercompany loans, which have been at about 10 1/2 percent.

When asked, Mr. Regan would not say the prime rate was too high, although he did describe it as an "administered rate." He said small businesses were the key to economic growth and added that with greater awareness of real interest-rate levels, small businesses would go out and look for alternative sources of credit.

Unlike big corporations that borrow at interest rates well below the prime, most small businesses pay more than the prime for their credit. And even at two percentage points above the prime, bank debt is usually the cheapest source of credit for such companies.

When asked what cheaper alternatives were available to small businesses, Mr. Regan did not have an answer. But he contended that the problem of low loan demand was mainly psychological.

In a speech last week, Mr. Regan cited a study by the Federal Reserve that showed that last May, 78.6 percent of the short-term business loans made by large commercial banks were below the prime.

The prime has lost its validity as a yardstick because the rate's character has changed, Mr. Regan argues. Until a few years ago, the prime was the lowest interest rate that banks charged on short-term loans to their most creditworthy corporate borrowers. Interest rates on loans to companies with lower credit ratings would be scaled up from the prime.

Today, however, more and more top-quality companies are borrowing at rates far below the prime, often at rates that have nothing to do with the prime. It has reached the point where it is difficult to define the prime.

"For all our preoccupation with the prime rate, I've never been able to get anyone to define the term with any degree of precision," Mr. Regan said.

The Treasury secretary is urging that a new yardstick be created, one that would more accurately reflect the true level of interest rates. He even coined a name for it — the watch rate.

Mr. Regan suggested that the yardstick might be the commercial-paper rate plus half a percentage point. The commercial-paper rate is what companies pay when they borrow from each other. The half point that Mr. Regan would add on would represent fees that borrowers pay banks for various sorts of guarantees on the paper.

"I would agree with using the commercial-paper rate," said Cengiz Israli, vice president of Morgan Guaranty Trust.

But Mr. Israli would make additional adjustments. The commercial-paper rate, even when adjusted

for the bank guarantee, does not represent the true cost of funds to the borrower because it is a discount rate. The interest is deducted when the loan is made, and therefore the borrower does not receive the full amount even though it is paying interest on the entire amount. Mr. Israli would add another four-tenths of a point to account for this.

He would add still another tenth of a point to account for costs of marketing the commercial paper, such as commissions paid to distributors. Thus, Mr. Israli's watch rate would be the commercial paper rate plus one percentage point.

Still other bankers and economists say they think the commercial paper rate is far too narrow.

Jay N. Woodworth, vice president and economist of Bankers Trust, suggests that a composite rate be established.

Such a rate would include long-term as well as short-term interest rates, and those paid by consumers as well as corporations. While the prime rate is 13 1/2 percent and the commercial-paper rate 10 1/2 percent, some banks are charging 22 percent for automobile loans and 17 percent for mortgages.

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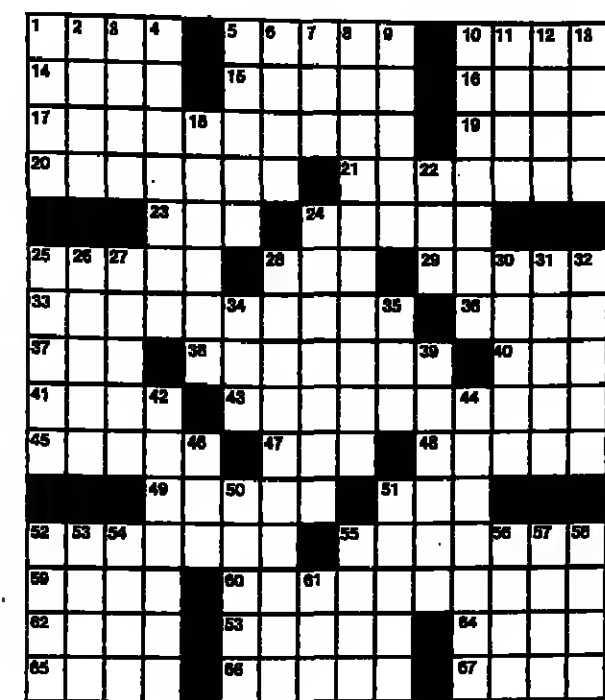
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CROSSWORD



- ACROSS**
- 1 Speedy
 - 5 Flamingo
 - 10 King of the jungle
 - 14 Two-toed sloth
 - 15 Not in the world
 - 16 Stewpot
 - 17 Member of the U.S.N.
 - 19 Gave the cold shoulder
 - 21 Neil of music
 - 23 Glean's gift to Hollywood
 - 24 Literary work
 - 25 Potentate of the East
 - 28 Cry at sea
 - 29 A kin on Mom's side
 - 33 Urban
 - 36 Nocturnal
 - 37 "The policeman's" activity
 - 40 One-time
 - 41 Made a hole-in-
 - 43 Performed
 - 45 Heart-follower
 - 47 Ethyl-follower
 - 48 Conservative position
- DOWN**
- 1 Kingsley's "White"
 - 5 Duke in "The Tempest"
 - 12 Bates or Mowbray
 - 13 Glabrous
 - 18 Cuts short, as a space trip
 - 22 Broke bread
 - 24 Au (up-to-date)
 - 25 Accolade
 - 26 What freeloaders do
 - 27 Join a club
 - 28 Name of fame in Cremona
 - 31 One with a burden
 - 32 — button, missile-destroying switch
 - 33 Bank abbr.
 - 35 U.S.A. grad
 - 37 Chief one of lead
 - 42 Frank Baum
 - 44 Place for coal
 - 45 Lizards of Mexico
 - 51 Kind of house
 - 52 Slightly opened
 - 53 Fictional captain
 - 54 Dictatorial
 - 55 Large number
 - 56 Glossy fabric
 - 57 Winter
 - 58 Let's neighbor
 - 61 Cut down

WEATHER

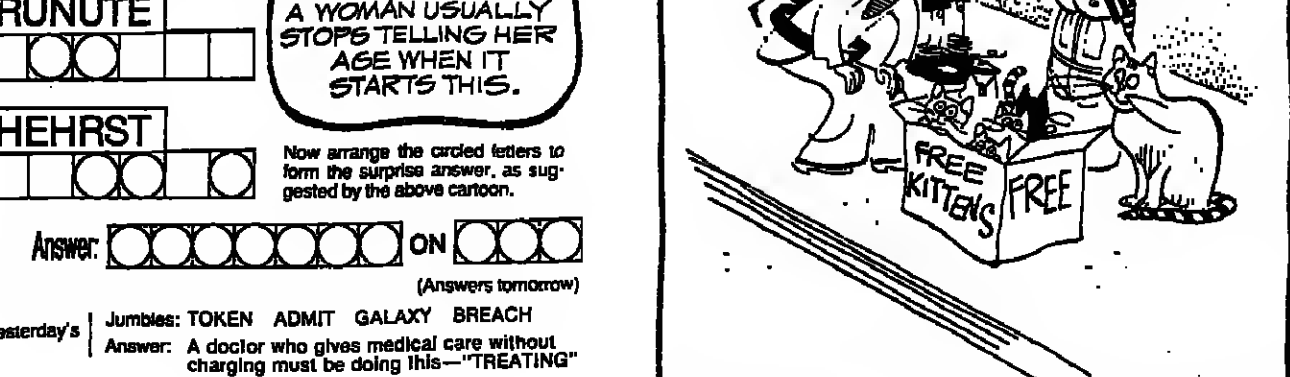
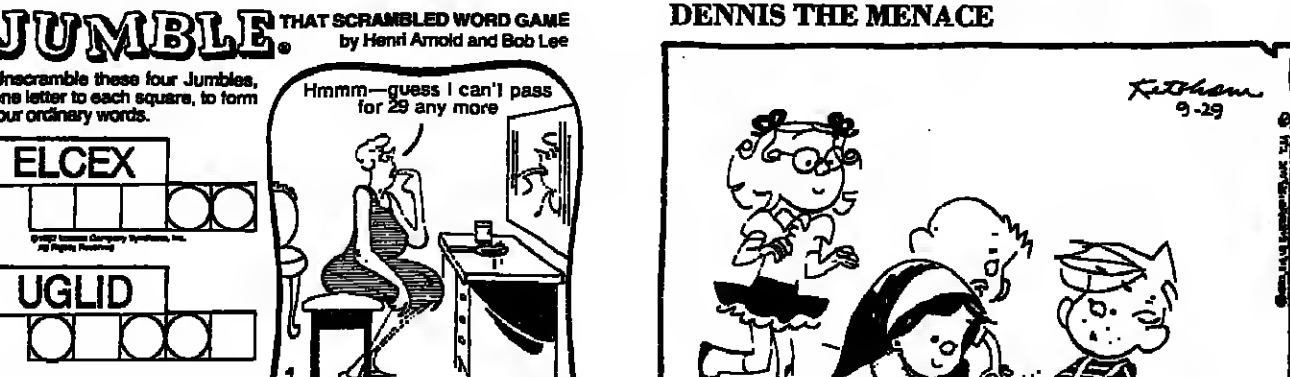
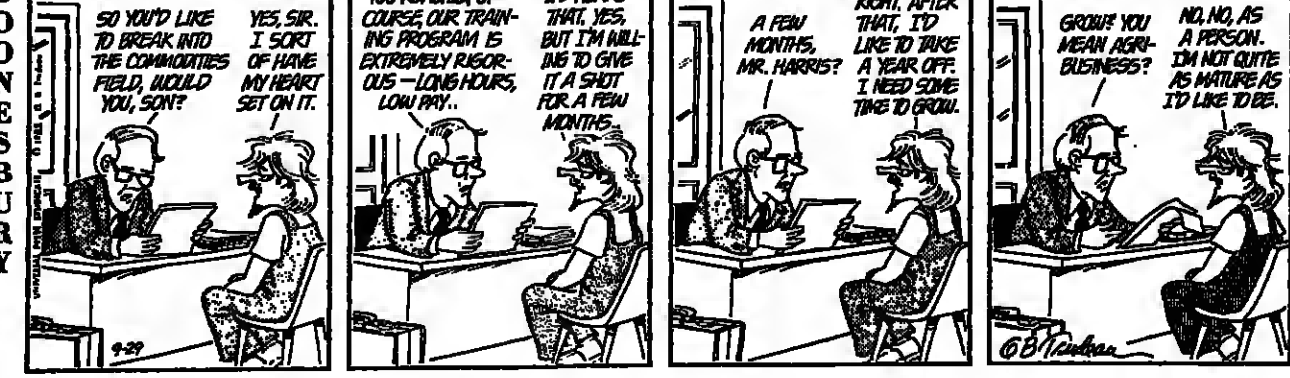
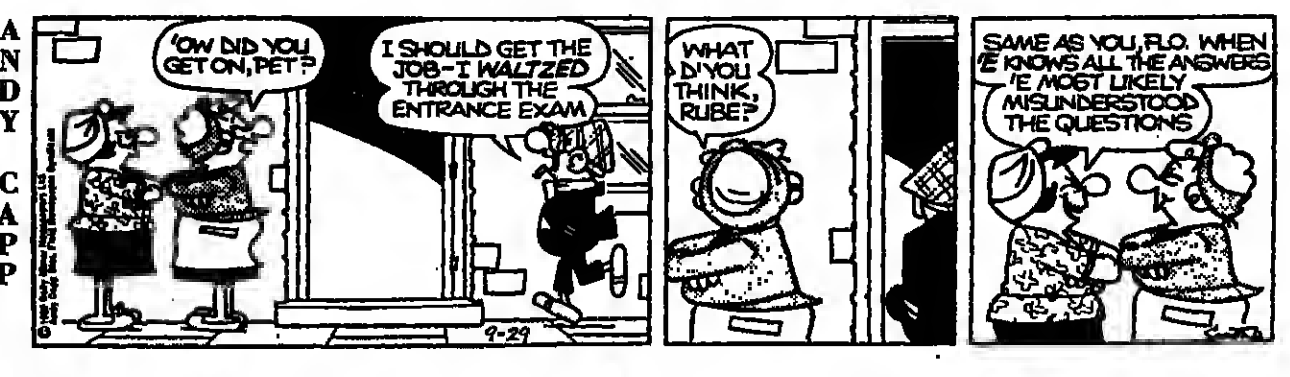
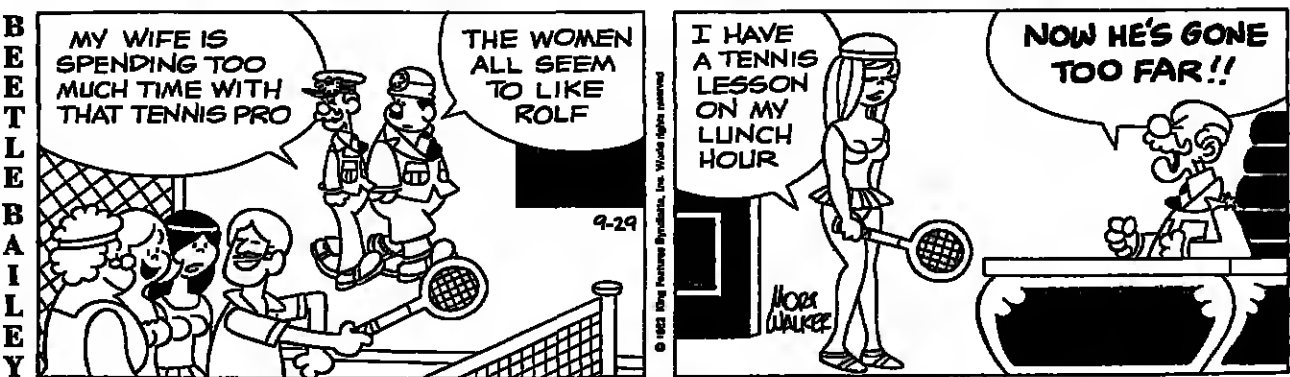
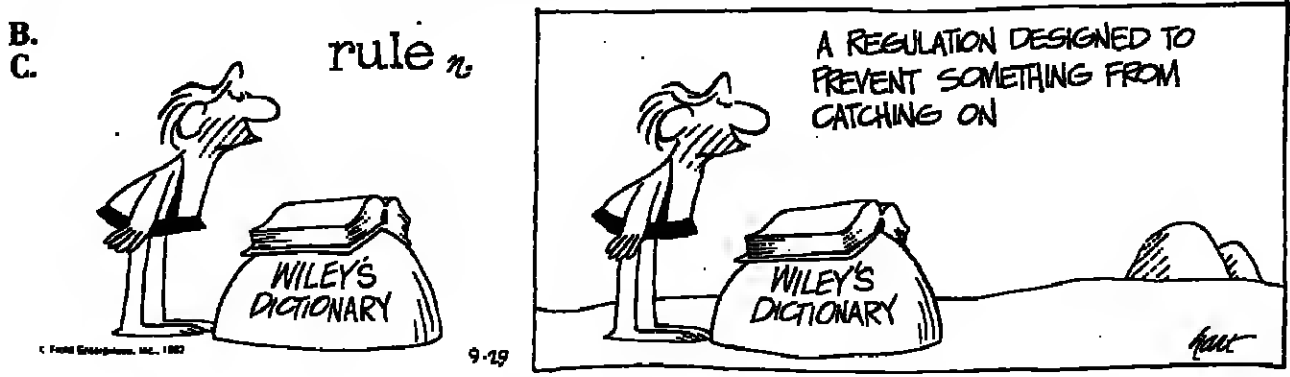
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ALASKA	74	55	Overcast	MADRID	74	54	Cloudy
ARIZONA	74	55	Fair	MANILA	74	54	Stormy
ATLANTA	74	54	Fair	MEXICO CITY	72	51	Sun Cloudy
AUCKLAND	74	54	Fair	MILAN	74	54	Fair
BANGKOK	74	55	Overcast	MILAN	74	54	Cloudy
BEIRUT	74	55	Overcast	MONTREAL	74	55	Cloudy
BELGRADE	74	54	Fair	MOSCOW	74	54	Stormy
BELMONT	74	55	Overcast	MUNICH	74	55	Overcast
BOSTON	74	55	Overcast	NAGASAKI	74	54	Fair
BRUSSELS	74	54	Fair	NEW DELHI	74	54	Cloudy
BUCHAREST	72	51	Sun	NEW YORK	74	55	Fair
BUDAPEST	72	51	Sun	NICE	74	55	Cloudy
CASABLANCA	74	55	Fair	OSLO	74	54	Stormy
CAIRO	74	55	Fair	PARIS	74	55	Cloudy
CASABLANCA	74	55	Fair	PEKING	74	54	Fair
CHICAGO	74	55	Fair	PRAGUE	74	55	Fair
CHONGKING	74	55	Fair	RYGKJAVIK	74	54	Fair
COSTA MESA	74	55	Cloudy	SAO PAULO	74	54	Fair
DAMASCUS	74	55	Overcast	SEOUL	74	54	Overcast
DUBLIN	74	55	Overcast	SHANGHAI	74	54	Overcast
EDINBURGH	74	55	Overcast	SINGAPORE	74	54	Cloudy
FLORENCE	74	55	Overcast	STOCKHOLM	74	54	Overcast
FRANKFURT	74	55	Overcast	SYDNEY	74	55	Fair
GENEVA	74	55	Overcast	TAIPEI	74	55	Overcast
HARARE	74	55	Overcast	TEL AVIV	74	55	Overcast
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LAHORE	74	55	Overcast				
LIMA	74	55	Overcast				
LONDON	74	55	Overcast				

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Readings from the previous 24 hours.

INTERNATIONAL FUNDS

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BOOKS

STOLEN LIGHTNING: The Social Theory of Magic
By Daniel Lawrence O'Keefe. 581 pp. \$24.50.
Continuum, 575 Lexington Avenue, New York, N.Y. 10022.

Reviewed by John Leonard

PROMETHEUS, the first magician, stole lightning and gave us a shock. Was this fire a good idea? Daniel Lawrence O'Keefe, in a splendid, daunting, almost wicked book, says sometimes yes and sometimes no.

O'Keefe has been to three of our best universities and is a senior editor at an important magazine. "Stolen Lightning" is a hybrid of Ph.D. thesis and "sacred script," a kind of grammar of the apocalypse with enough footnotes to frighten the horses at Oxford. Through the lenses of linguistics, history, psychology, anthropology, and other black arts, he looks at "magic" and sees something subversive.

His magics are various — black, white, sympathetic, institutional, folkloric, and fact-therapeutic. To define, he must distinguish between religion and voodoo, totemism and witchcraft, sorcery and medicine, and cause and effect. He reads everything. Then, in the approved university manner, he tells us what he is about to say, says it at length, and summarizes what he has said. It gets better every time.

The many things he has to say improve with each rendition because, like Prometheus, he brings light with style. Not since Marx, Darwin, and Freud has there been anybody so opinionated. Most of these opinions are contrary to Marx, Darwin, and Freud. O'Keefe is a better writer than Darwin. He is probably better company than Marx or Freud.

A Debauched Authority

Magic, he says, subverts. From religion, it steals symbols. From culture, it steals by caricature, a debauched authority. On behalf of an alienated self, it protests lack of freedom. It expresses social stress. Magic opposes any consensus, of church or state, that threatens individual autonomy. It is in this sense a guerrilla theater of the dispossessed, agitating against property arrangements, hierarchies of class and caste, priesthoods of capital, ministers of caring, smug elite and engineers of loneliness. It has an ego against organized, rationalized, mass-anized superego. It is poetry and revolution, as well as crime.

O'Keefe is not in favor of unidentifiable flying objects, Transcendental Meditation, or the spoon-vendors of the paranormal. He knows that every Black Mass is fascist and that most shamans specialize in curing us of demons the shaman has invented to enhance his own status. Too much ego turns inward, wormlike, to eat itself, while pretending that inwardness is somehow a heroic criticism of a world that is lousy in the abstract. Such inwardness, he seems to be saying, is less poetic or revolutionary than it is suicidal. We see it all around us: people who believe in astrology seldom believe in anything else.

"Picks and Chooses"

And yet we live in a world in which magic, which began as a defense of self against society, has itself been socialized. Religion, according to O'Keefe, started off as a justification, by symbols, of the prevailing economic power base. Magic was a parody of religion, in protest. Religion then fed on magic whenever it needed a slice of the strange, a symbolic fix. And now, modern culture — law, medicine, advertising, statecraft, intelligence agencies, and money management — has internalized the magical. If we no longer take the "wild science" seriously, perhaps it is because in the modern world they don't threaten the "technostructure." They are merely sublimated. The technostructure has appropriated all the magic; at our black mass, the self is consumed.

Meanwhile, O'Keefe is friendlier to

John Leonard is on the staff of The New York Times.

BEST SELLERS

The New York Times	
Rank	Title
1	MASTER OF THE GAME, by Sidney Sheldon
2	THE EXTRA-TERRESTRIAL STORYBOOK, by William King
3	THE VALLEY OF HORSES, by Jean M. Auel
4	DIFFERENT SEASONS, by Stephen King
5	THE PRODIGAL DAUGHTER, by Jeffrey Archer
6	LACE, by Shirley Coleman
7	THE CASE OF LUCY BENDING, by Lawrence Sanders
8	THE PARSIFAL MOSAIC, by Robert Bly
9	THE MAN FROM ST. PETERSBURG, by Ken Follet
10	CROSSINGS, by Danielle Steel
11	THE PURCHASE STREET, by Gerald Browne
12	TOUCH THE DEVIL, by Jack Higgins
13	THE 13TH VALLEY, by Del Vecchio
14	EDEN BURNING, by Belva Plain
15	CHAMOMILE SKIN, by John M. MacDonald
NONFICTION	
1	JANE FONDA'S WORKOUT BOOK, by Jane Fonda
2	LIVING, LOVING AND LEARNING, by Leo Bueagala
3	LIFE EXTENSION, by Doris Peterson and Sandy Sherr
4	WHEN BAD THINGS HAPPEN TO GOOD PEOPLE, by Harold S. De Vries
5	INDECENT EXPOSURE, by David McClelland
6	EDIE, by Jean Stein, edited with George Plimpton
7	PRINCESS, by Robert Lacey
8	NO BAD DOGS, The Woodhouse Way, by Barbara Woodhouse
9	A LIGHT TO MAKE LOVE TO, by Shel Silverstein
10	A FEW MINUTES WITH ANDY ROONEY, by Andrew A. Rooney
11	HOW TO MAKE LOVE TO A WOMAN, by Michael Morpess
12	RICHARD SIMMONS NEVER SAY DIET COOKBOOK, by Richard Simmons
13	THE G SPOT, by Alice Kahn
14	MISS MANNERS' GUIDE TO EXCELLENTLY CORRECT BEHAVIOR, by Judith Martin
15	THE UMPIRE STRIKES BACK, by Ron Luciano and David Fisher

Britain Protects Bats

LONDON Because of their declining numbers, bats may no longer be disturbed without a license from the Nature Conservancy Council. Violators face a maximum fine of £1,000 (\$1,700) for every bat disturbed.

BRIDGE

By Alan Truscott

SOME married couples have a "captaincy principle" that determines who is entitled to make the final decision on important occasions.

If they are bridge players, they should observe the same captaincy principle as everyone else: The partner of no-trump bidder should make the final decision and should not be overruled.

South's decision to breach the captaincy principle on the diagrammed deal provoked some pre-mortem and post-mortem discussion.

After passing originally, North bid very aggressively. When West overcalled in diamonds, a highly questionable action, North cue-bid in diamonds and then leaped to six clubs. This was also dubious, since South's three no-trump rebid indicated duplication of values in the diamond suit.

South was proud of her diamond holding for no-trump purposes and persevered to six no-trump. This provoked some grumbling from her partner, who remarked as he put down the dummy, "Six clubs must be a better contract."

"We'll see," was the noncommittal answer from South, who settled down to play six no-trump after the helpful lead of the diamond ten. She won with the queen and returned the jack, giving West a trick with the king.

This might have led to total disaster when West drove out the ace to establish his diamonds. But South was able to run clubs, squeezing East in the major suits.

Her 11 obvious tricks, counting a spade finesse because 12 because she was sure to score either the heart ten

in dummy or the spade eight in her hand.

In the post-mortem North insisted he should not have been overruled and that six clubs was a better contract. He pointed out how cleverly he would have played it, asserting "We have won the heart lead, finessed in spades, ruffed out the diamond king and led to the spade ace."

"Then," he went on, "I'd have ruffed a spade, drawn trumps with the ace and king, and played diamonds. I'd have discarded three hearts, leaving West on play to give me a ruff-and-discard and dispose of my last heart loser."

"Maybe, maybe not," retorted South. "We know I made six no-trump. We'll never know whether you would have made six clubs."

NORTH (D)

♠ J7
♥ A10542
♦ —
♣ A108743

WEST

♠ 542
♥ 98
♦ K1098652
♣ J6

EAST

♠ K10983
♥ KQJ7
♦ 74
♣ Q2

SOUTH

♠ AQ8
♥ 983
♦ AQJ3
♣ K85

Both sides were vulnerable. The bidding:

North East South West
Pass Pass 1NT 2♣
3♠ Pass 3NT.
6♣ Pass 6NT.
Pass Pass

West led the diamond ten.

